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LARGEST CIRCULATION
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FINANCIAL PAPER

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

CANADIAN MINING NEWS
DEPARTMENT ON
PAGE 14

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The Nation's Business

Mr. Guthrie's Duty to Hasten Reform of Penitentiaries

Should Act Now or Resign

Canada Turns Eyes Toward Pacific

Responsibility for Prison Reform

IN THE last two or three years the country has been surfeited with undisputed stories of maladministration of justice. We have heard of the sentencing of young persons for long terms to mingle in our national prisons with hardened criminals. We have heard of the undeserved and excessive punishment and the brutal treatment of prisoners without influence by guards and other officials who were obviously quite unfit for their jobs but who no doubt thought they were doing their duty. We have heard also of the generous treatment and the early releases of prisoners with political, financial and family influence. The press throughout Canada is agreed that prison reform is necessary in Canada.

Many newspapers are urging a commission of investigation into Canadian penitentiaries. But why an investigation? Investigators would tell us little that we do not know already. Commissions make recommendations but often these recommendations are forgotten or pigeon-holed. The Government that will not act when public opinion is aroused and the facts are staring it in the face will not move more rapidly because a Royal Commission has brought down recommendations.

* * *

THE problem of penitentiary reform is one that should be put up to the man or the men responsible. Primarily, the Prime Minister of Canada is responsible because he is the head of the Government that has undertaken to give this country sound administration. It is to Mr. Bennett that we must look for action in the first instance. If Mr. Bennett were asked a question about the administration of our prisons he would probably answer that their administration comes under the Federal Department of Justice; he would refer the questioner to the Minister of Justice. It is quite true that the Minister of Justice is directly and personally responsible but if he is not accepting his responsibility or performing his duties properly it is up to the Prime Minister to find a capable man to administer the Justice Department.

The present Minister of Justice, Hon. Hugh Guthrie has failed very badly to improve conditions in our penitentiaries, conditions which are a disgrace to the country, which no doubt were serious when he took charge, but which have continued to grow worse. This is not a party question. Mr. Guthrie's most aggressive critic is that able and resourceful Conservative member for Kingston, General A. E. Ross, while other Conservative politicians and many Conservative newspapers have been carrying on the campaign for penitentiary reform, apparently, however, without disturbing the complacency of Mr. Guthrie.

* * *

Canada as One of Pacific Powers

MANY good people in Canada have been made to realize this week for the first time that Canada is a great Pacific power. We have large opportunities and large responsibilities around the shores of the Pacific Ocean, to which the major world attention, formerly centred on the Atlantic, is slowly but surely shifting.

The meeting of the fifth biennial conference of the Institute of Pacific Relations at Banff is serving to make Canadians more Pacific-conscious. This is the first time that this organization has held its meetings in the western world. The first two sessions were held at Honolulu, which was considered neutral ground. The third session, in 1929, met at Kyoto, Japan. The Manchurian question was then be-

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Current Opinion

"There are no doubt large numbers of potential settlers who cannot settle overseas without help either from the Government or from a voluntary organization, or from both. Nevertheless, the less governments intervene in the process of immigration, the better.

"Migration should be a process of pulling rather than pushing. The stimulus should be the favorable conditions to which a migrant is going, not the unfavorable conditions he is leaving."—*Sir Geoffrey Whiskard, vice-chairman, Overseas Settlement Committee.*

DOSCO TO CALL SPECIAL MEET BONDHOLDERS

Only Await Agreement With Large Holders in London

DEFAULTED INTEREST

Report for 1932 Will be Available Shortly—Operations Better This Year

From Our Own Correspondent

MONTREAL — Dominion Steel and Coal Corp. will shortly dispatch to its debenture holders a notice calling a special meeting to discuss the situation arising out of the company's inability to meet interest charges. At the same time the shareholders will be sent a copy of the balance sheet and income account covering last year's operations.

At the beginning of last March the management of Dosco announced that it would take advantage of the period of grace allowed in the trust deed of its 6 per cent first mortgage debenture stock issue in order to make some arrangements with the holders of the securities. Negotiations have been going on with large debenture holders in England and a meeting of the debenture holders will be called in order to determine what future course will be taken.

Issue Over $13,000,000

At the end of last year the company had outstanding $13,499,995 of the first mortgage debenture stock. Of this amount $11,417,550 was issued to holders of the Dominion Iron and Steel Co. 5 per cent consolidated mortgage bonds and currency series bonds. The balance was pledged as security for bank loans. In 1930 interest charges on the debenture stock were earned 2.26 times after all prior charges, including sinking fund, depletion and depreciation. In the following year interest was earned only 0.28 times on the same basis. While the income account for 1932 is not available, it is understood that the company's earning power did not show any improvement, rather did it decline.

Interest payments were met promptly until March 1, 1933, when they were deferred as outlined above. Upon the expiration of the three months grace interest continued unpaid.

Poor Returns in 1932

Operations of Dosco and its various subsidiary units were not at all satisfactory in 1932. Demand for coal was only fair, while the railways were not in the market for steel rails. Ore shipments from Wabana were on a restricted scale, while other divisions experienced lessened activity.

Current Operations Better

Since the turn of the year efforts to secure additional business for the Maritime enterprise have met with a fair degree of success. The steel mill at Sydney is now busily engaged in rolling nearly 60,000 tons of steel rails—about 4,000 tons for the South African Government and the balance for the Canadian National Railways. The latter business is in the form of relief work and will be paid for by the company upon delivery. It is understood there is little profit

(Continued on page 2, col. 5)

Nickel Profits Seen As Likely 10c. Per Share

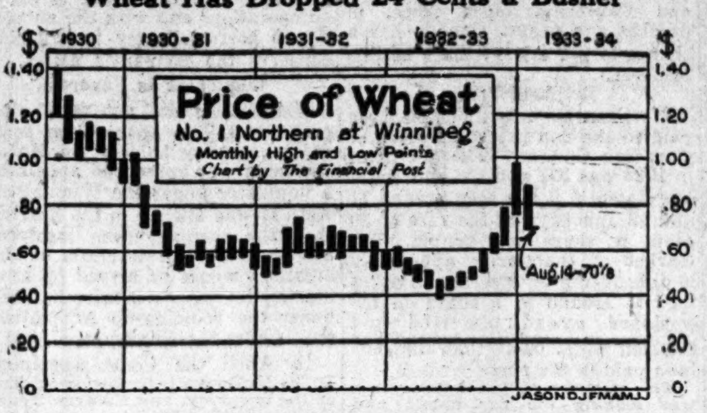
International Nickel will probably surprise even its closest observers with its quick recuperative powers and the forthcoming statement for the quarterly period ended June 30, is likely to show earnings of close to ten cents per share, according to the analysis made by The Financial Post. With a loss characterizing every quarterly statement since March 31, 1932, with the exception of a slight profit in the quarter ended December 31 last, indications are that the company is away to more prosperous days.

Last year the half-yearly earnings statement appeared on August 25 and it is anticipated that figures for the first six months of this year will soon be available.

The stemming of the tide of losses has been foreshadowed in the company's activities the past few months. Late in May The Financial Post told of the rapid increase in nickel sales and stimulated demand for the company's products from its Huntingdon, West Virginia, plant. Month by month nickel sales are known to have been climbing and based on government export figures, production activities and stimulated buying, sales are believed to have reached over 3,000,000 pounds per month in June and July and indications are that August will be close to 4,000,000 pounds.

About the middle of June the Sudbury operations of the company were stepped up to 40 per cent of capacity, while the Conniston operations now are on an even higher ratio and the movement of incoming supplies and smelter products is tangible evidence that recent months have been most gratifying to observers, employees and officials of the company.

Wheat Has Dropped 24 Cents a Bushel



The price slump of the past month has accounted for a drop of about 24 cents a bushel in the price of wheat at Winnipeg. October futures are shown in the above chart, the price on August 14 being the lowest in the past two months. Pegging of wheat on August 15 resulted in a renewal of confidence in the market and the price moved up slightly from the low point of the month.

Taxpayers in Dark On Losses in Wheat

Prime Minister Bennett Should Regularize Government's Ventures in Wheat Speculation and Say Who Pays Losses, Who Get Profits

DEVELOPMENTS in the wheat market during the past two months give no cause for satisfaction with the venture of the Dominion Government into the field of price stabilization. Prices have not been stabilized, and the sale of Canadian grain has not been promoted. There is good reason to believe that operations on behalf of the Government have been a major cause, both of the wild price swings which have occurred, and in the failure to sell more Canadian wheat.

The Government is not in the grain market directly but it is there just the same. What it has done is to guarantee the bank account of the wheat pools' Central Selling Agency, which is presumed by some people to be still engaged in the marketing of the 1930 crop. And it is further stated by those who would conceal the true nature of the Government's venture that the bank guarantees have been used, not only to give the selling agency time to dispose of its crop, but to enable it to undertake some accessory buying and selling operations, in order to establish better market conditions and facilitate the final disposition.

Operations Under One Man Control

The usefulness of this fiction has long since passed. Even if the facts corresponded with the story as told it would be time to bring the existing state of affairs to an end, and to terminate the use of Government guarantees to the Central Selling Agency because of unsatisfactory results, as well as because it is utterly unsound to allow an irresponsible body use of government credit to the extent of many millions of dollars. But the simple truth is that the 1930 pool crop has for a long time been sold, and for more than two years the provincial pools have given the Central Selling Agency no more grain to handle. Nominally that agency is still owned and controlled by the provincial pools. It has a board of directors, originating in the provincial pools, which in law must have some responsibility for its conduct, but which in fact must be kept ignorant of its operations and impotent to affect their results. The status of some of them, representing the former Manitoba Pool, now in bankruptcy, must be doubtful.

The operations of the agency are under the control of John I. McFarland, as general manager, to whom in essence, the directors have surrendered their power to direct. Although ostensibly appointed by them he cannot be said to be in any way responsible to them. His responsibility rather is to the Dominion Government, on the credit of which, to the extent of tens of millions of dollars, his operations have been conducted. But he owes no formal responsibility to the Government, which has allowed him to commit it to vast undertakings, with the full knowledge and consent of Prime Minister Bennett.

What Mr. McFarland's Job Was

Apparently the operations under Mr. McFarland's control have been conducted with several objectives.

One was to dispose of pool wheat on hand when he took control, an operation certainly concluded some time ago. That is to say the wheat was sold for cash and an equivalent amount of futures was purchased. Another objective was to recover through market operations, some of the loss on that sale for which the Government had previously made itself responsible. Possibly something to that end has been accomplished, but it is easy now to think of speculations in the stock market which would have yielded greater results. A third was to stabilize prices, and very large purchases of wheat futures were made when prices were much lower than they are now, on the theory that, with no other speculating purchasers offering as farmers were delivering their wheat, prices would sink to even

(Continued on page 2, col. 3)

Power Utility Concerns Maintain Earning Power During First Half of Year

Canada Northern Power Registers Gain Over 1932 Returns

OUTPUT MOVES UP

Half of Reporting Utilities Have Greater Production Prospects Are Promising

From Our Own Correspondent

MONTREAL.—Canada Northern Power Corp. is the only operating power utility in the Dominion to report increased earnings in the first half of 1933 compared with the corresponding period of 1932.

Examination of the returns of other utilities which keep their shareholders informed as to current income, discloses the fact that as a group the public utilities have suffered less from the decline in business activities.

Both gross and net operating income, generally speaking, is on a somewhat lower basis than was the case in 1932. The drop is not out of the way, however, and in the majority of cases the decrease is of negligible proportions.

Better Returns Lately

Since the turn of the half year operations have been on a more satisfactory basis and it is possible that the full year returns will measure up to, if not exceed, those reported for 1932. This is fully anticipated of a number of companies which since June last have been experiencing a broader demand for their services with a consequent improvement in earnings.

Where declines or increases in earning power have been registered for the first six months of the current year, the reason has not been far to seek. Canada Northern's increase has been due to the greater activity in the Northern Ontario mining fields. The demand for gold and other metals has caused production to increase and,

(Continued on page 2, col. 6)

Shawinigan Area Taking More Power

From Our Own Correspondent

MONTREAL. — Industrial activities in the Shawinigan Water & Power Co. territory have been on a broader scale lately, resulting in a healthy increase in the consumption of electrical energy.

Consolidated Paper Co.'s plant at Grand'Mère has stepped up production, while Canadian International Paper's unit at Three Rivers is running over 80 per cent, compared with less than 50 per cent a short time ago. Shawinigan Chemicals plant at Shawinigan Falls has been taking more power, while the asbestos industry in the Eastern Townships has taken more energy with the increase in production. Other plants in the area have shown more activity. The individual increase in power requirements has been small, but the aggregate total has added appreciably to the load on Shawinigan's lines.

BREAD PRICES MAY RISE CENT COSTS HIGHER

Lower Grade Prices Up But Consumers' Market Still Holds

CHAINS IN LINE

Small Baker, Ignoring Depreciation and Overhead Costs, Cutting His Own Throat

With materials entering into the cost of bread up in the last five months about one cent and a half for every loaf of bread of 1½ pounds, strong representations are being made throughout the industry to those who have been selling bread at low rates that an increase of one cent a loaf at least should be made. It is common knowledge that such an increase would have occurred before this but for the fact that a number of smaller bakers have tried to increase sales at the expense of rivals by keeping bread prices down when the latter raise them.

When the chain stores decided not to feature bread at cost or less in order to draw custom into their stores, the larger bread companies felt that a considerable step in advance had been made by the industry in drawing clear of the demoralized price structures obtaining for two or three years past. While larger companies like Canada Bread maintained the quality of their product and kept prices fairly constant, they were obliged in recent years to combat the attack on prices by getting out cheaper grades of bread to sell in competition with the cheap bread offering. For instance, Canada Bread sold three qualities, No. 1 quality which is its standard and most sold bread, No. 2 and No. 3. The latter was sold as low as 6 cents for a loaf of 1½ pounds.

The price was raised one cent a loaf for these second and third grades when the chain stores advanced their prices but the first quality loaf has not advanced beyond 10 cents a loaf.

Costs Step Up

A representative of The Financial Post has shown to some Toronto bakers a table of costs, prepared by the Washington Bureau of Agricultural Economics, which purports to show the increase in the last four or five months of bread material costs. He is told that the table approximately reflects conditions in Canada as well and therefore the table is given herewith, with two columns showing how costs quoted in the United States table as entering into a loaf weighing a pound would apply to Canada where the standard loaf generally weighs 1½ pounds.

	U.S. Pound Loaf Feb. '33 cents	July '33 cents	Can. 1½ lb. Loaf Feb. '33 cents	July '33 cents
Flour	1.19	2.02	1.79	3.03
Yeast	.25	.25	.38	.38
Sugar	.08	.10	.12	.15
Malt	.05	.06	.07	.09
Lard Sub.	.11	.15	.16	.23
Salt	.01	.01	.01	.01
Milk dried	.15	.20	.23	.30
Total	1.84	2.79	2.76	4.19

Note—Exchange differentials are ignored as costs are entirely domestic.

Changing Material Costs

One manufacturer says that costs are higher in Canada than shown above, and that if weight is given to recent increases in the price of sugar and malt and milk the increase in price would bring cost of materials in a loaf weighing 1½ pounds from 2.76 cents to 4.35 cents. Add to this the cost of delivery, wrapping, labor, baking, depreciation, taxes and general overhead, and it is claimed that at present prices there is a loss for every baker who understands that depreciation and overhead are real costs to be provided for.

Changing costs of bread ingre-

(Continued on page 8)

Retail Prices Fail to Follow Wholesale Gain

Retail prices provided the feature of the statistics released during the past week, July figures showing only a very small increase over June while wholesale prices were making a strong advance. Carloadings in the week ended August 5 improved over the previous week after two consecutive weekly declines, the gain in coal loadings being the greatest.

Metals was the only group which withstood the general commodity price decline of the past week, and this group only remained at the same level as a week ago. Wheat led the decline, although at least temporarily halted on August 15 by the introduction of pegging at Winnipeg. Cotton futures were weak in New York although U. S. Government support is evident.

			— Change — From prev. period	From prev. year
Monthly:		July, 1933	%	%
Retail prices ..	No.	77.8	+0.3	—3.7
		June, 1933		
Petrol., prod.	gal.	113,447	+26.4	+26.5
		May, 1933		
Gasoline sales	gal.	42,190,000	+37.4	—10.8
Weekly:*				
Carloadings ..	No.	37,775	+1.7	+7.2
Cattle sales ...	No.	11,091	+5.0	—23.9
Hog sales	No	15,015	+9.4	—24.0

*Weeks ended Aug. 5, 10 and 10 respectively.

PAPERMAKERS IN U.S. SUBMIT SECOND CODE

All Reference to Price and Competition is Eliminated

QUOTAS ABSENT

New Plan Largely Confined to Hours of Labor and Wages in Industry

From Our Own Correspondent

MONTREAL.—All references to prices and fair competition are eliminated in the new code submitted to Washington for approval by the United States manufacturers of newsprint under the terms of the National Industrial Recovery Act.

Canadian producers were closely interested in the original code which, had it been adopted, would have had a strong bearing upon the trade relations with American publishers.

The first plan provided for minimum prices of newsprint in 10 different sections of the United States, with a base price of $46 a ton less an allowance of $1 where paper could be delivered by water.

Considerable attention also was paid in the original code to unfair trade practices. The payment of commissions, purchase of advertising space in publications produced by the buyer of paper as a means of offering a rebate, etc., were regulated.

New Code Simpler

The new code is much simpler in form and contents itself with dealing with the basic requirements set forth in the act, namely, maximum hours of labor and minimum wage rates.

The old code provided that the minimum wage to be paid in the industry to common labor, with certain exceptions. In mill production operations, was to be: male, 35 cents an hour; female, 27 cents an hour. Except where it was impracticable to do otherwise, the employee was not to work more than 8 hours a day or 48 hours a week.

More Detailed Basis

The revised code goes into the matter of labor and wages on a much more detailed basis. Employees on a weekly or monthly basis, except for 5 exempted classes, are not to work more than 48 hours a week. The minimum wages of such employees will be not less than $15 a week in any city of over 500,000 population; nor less than $14.50 a week in any city between 250,000 and 500,000 population, nor less than $14 a week in any city between 2,500 and 250,000, nor less than $12 a week in towns of less than 2,500 population.

Minimum wages of employees doing common labor will be 35 cents an hour for males and 30 cents an hour for females. Piece workers shall be paid at rates which will guarantee them rates per hour which are not less than the minimum prescribed for common labor.

In its original form, the code did not set forth as carefully the hours of labor for different types. It provided the same working hours, but the minimum wage for common labor was to be 35 cents an hour for males and 27 cents an hour for females. The new code, therefore, provides for a higher wage to females.

Teeth Are Withdrawn

The newsprint code in its revised form has little bearing upon operations in this country. The elimination of the sections dealing with minimum prices for newsprint and trade practices, makes the revised code of purely domestic interest.

Aside from the features already commented upon, the original code drawn up by the American producers had a section dealing with imports and their effect upon operations of the industry. Section E

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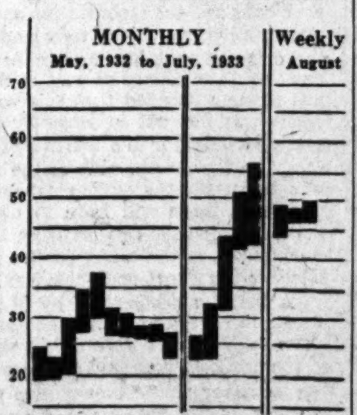
Stock Market

20 INDUSTRIAL STOCKS



MARKET RECORD

20 Industrial Stocks	High	Low
Week of Aug. 15	49.2	46.4
Week of Aug. 8	48.3	46.3
Month of August, 1932	35.1	27.9
10 Public Utilities		
Week of Aug. 15	54	52
Week of Aug. 8	54	52
Month of August, 1932	53	44
8 Bank Stocks		
Week of Aug. 15	188	184
Week of Aug. 8	188	186
Month of August, 1932	182	163

Highlights of the week

Events and Topics That Make News for Post Readers

New Deal for Investors

The new American Securities Act, designed to protect investors, has been in force long enough now to permit an analysis of some of its good points and dangerous points. It promises changes in the security business that will touch the interests of every Canadian investor. The Financial Post this week begins a series of articles telling what the new law is all about. Read the first one this week. Page 3.

Western Bonds

Bonds of the four western provinces have risen remarkably in the last few months. Why? An analysis of each of the provinces shows good and bad features of their financial position, business situation, etc., and discusses the soundness of the present price level. Page 5.

Rackets

Business men and investors are beset with rackets, some of them illegal and very harmful, others legal, and slightly innocuous. The Post begins a discussion of both kinds of rackets. If you know how to spot a racket when you see it it will save you money. Page 9.

Business Insurance

Another in a series of case histories in the use of life insurance to protect business enterprises. The articles show that there is more to business insurance than appears on the surface. Every business man and insurance man will want to read them. Page 11.

Who Pays the Shot?

The federal government's operations in the wheat market call for more light. Do they show a heavy loss or are there fat profits? And if there are profits, who is to get them? Is it another case of "heads I win, tails you lose" with the taxpayer on the wrong side of the bargain? A frank discussion on a vitally important national subject. Page 1.

Up Goes Bread

The bread war ends as wheat rises and the humble family loaf follows. What this means to the investor in bakery stocks. Page 1.

Utilities Improve

Analysis of 1933 earnings of leading Canadian public utilities reveals gains made over 1932. Page 1.

Wheat Crash

Our grain editor discusses the current market situation and explains the rapid descent of prices. Page 10.

Bank Enquiry

The Post's weekly summary of the evidence presented to the Macmillan Royal Commission. Page 10.

Left in Trust

Some useful pointers on trust accounts in wills brought out in this week's article in the new and valuable series on estates. Page 3.

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SHORT CROPS, HIGHER PRICES AID CANNERS

Large Though Reduced Carryover Acquires Greater Value This Summer

BANK LOANS DOWN

May Rise in Fall But Improved Position Expected to Be Shown at End of 1933-34

Canadian Canners, as an inventory company which has had to stand the gaff of unprofitable prices for three years during which purchasing power of consumers was low and sacrifice offerings of needy canners were quite high, is probably profiting more from the increasing commodity price situation of 1933 than most other companies. It has three things in its favor: 1st, old inventories in the industry have been brought within manageable proportions; 2nd, drought conditions in 1933 are bringing short crops in some of the principal vegetables usually packed in addition to the fact that there had been decreased acreage planted in any case; and 3rd, prices have been going up in most of its leading lines to profitable levels.

Rise in price levels have especially given ample reserve support to the valuations shown in the last financial statement for inventories. Drastic write-offs had been necessary in preceding years but will not be necessary at the end of the current year unless there should be in the meantime a recession of unexpected severity. Apparently the present situation does not foreshadow such an eventuality in this industry.

Canadian Canners had its best year in 1930, the year after the depression began, and it is one of the first large companies to recover. Bank loans have been greatly reduced since the end of its last fiscal year, but in all probability will be increased during the fall as canning proceeds. By the end of its year, however, expectations are that a much better financial showing will be made.

The inventory position of Canadian Canners has been getting more manageable for the last three years as shown by the following totals: Feb. 28, 1931, $8,437,240; Feb. 28, 1932, $7,197,862; and Feb. 28, 1933, $5,784,074.

Drought Boosts Vegetable Prices

The last issue of The Canadian Grocer contains a great deal of news of interest to investors in canning company securities. The excessive heat of June and July along with smaller acreage devoted to peas, may make the ultimate crop less than half the one million cases produced for all Canada. Prices have gone up to as high as $1.15 f.o.b. factory for choice 4's per dozen and for stands 5 or 10 cents less. This is an increase of 25 per cent per dozen in several months.

Tomatoes will be less than the 1,431,000 cases packed in 1932, but no one can say what the ultimate pack will be as an early frost might cut it below even present expectations. Frequent rains, favorable sunshine, and absence of frosts until October are required to make the best of present prospects. Independents have advanced prices 12½ cents a dozen in the last fortnight, and there is not much differential between the independents and larger canners now.

Fruits Rise Also

With corn, tomatoes and peas large buyers are reported to have been placing contracts right along. Beans have doubled in price in 1933. Canned strawberries and raspberries are lower because of the heat and jams have gone up from 10 to 12 cents a 40-ounce jar. Higher sugar cost will mean higher prices for canned peaches and pears. There is a problem here for packers in that growers want a considerable advance on prices paid in 1932 for peaches and pears. The crops are fair, but in England competition must be met from California and Australia. Forward sales, if made, will determine what price packers will be willing to pay; otherwise, a certain chance would have to be taken. In so far as the Canadian market is concerned, canners have raised prices because of the higher sugar and container costs and may have to raise it more if demands of growers are met.

Canadian Canners has 80 prod-

(Continued on page 2, col. 1)

Just Think of It!

Dr. Wm. Boyd, head of the Department of Education, Glasgow University, has been investigating the Canadian school system. He finds what The Financial Post has been pointing out for several years—that our system is not practical but based on a German theoretical system discarded 75 years ago.

Dr. Boyd says: "The secondary school curriculum in Canada is a 50 per cent waste of time, and I am prepared to raise the percentage above 50 for university students. Canadian educationists are overloading the secondary school curriculum with subjects that do not fit the students for the business of living. . . . I sometimes think teachers are the only people in schools who are learning anything. . . . Schools as they exist now in Canada are not good enough. They are not producing the kind of people the world needs."

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STITCH-FELT

This new, smartly shaped hat combines the advantages of correct style and good appearance with a new stitching which ensures a long and presentable life for this hat. Good hats grew old gracefully . . . the new Stitch-Felt will be worn many times before old age even sets in. Sizes 6¾-7⅝.

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SHORT CROPS HIGHER PRICES AID CANNERS

(Continued from page 1)

ucts. It is not confined to the four headliners of most canning companies on this continent: peas, tomatoes, corn and beans. It will profit from higher prices of these, but it has at least secured equal importance for its soups and for its fruits and jams, in both of which categories there have been large advances in sales of recent years. It does well with its infant foods. By continued advertising of its Aylmer products, which represent in chief lines half of its sales, the company has been getting the higher prices that go with a high-class product. It is, however, in the unusual situation just at present that other elements in the industry have been urging the company to raise prices. It has resisted the tendency to a quick advance.

Main Market Is Canada

Canadian Canners' main market is Canada. The Canadian market takes the chief place in the thoughts of its executives and policies are framed every year with reference to Canadian needs. Vagaries of seasons compel a carryover in good crop years to prepare for years of short crops, but Canadian Canners has as its first object supplying the Canadian market. Foreign markets are a secondary consideration.

Though foreign markets come second, they are important. The company endeavors to secure reduction of its overhead by its sales abroad. It has sold in from 30 to 40 countries as market conditions offer profitable opportunities. Its products under the Aylmer brand have been sold in Singapore, Hong Kong, New Zealand, India, and China as well as in nearer markets such as Great Britain and the United States.

Of late more attention is being paid to England. A special representative of the company was in England all last winter, and the company hopes to establish permanent connections there. Its pears, apple sauce and tomatoes are making their way, and it is hoped that a taste for corn and tomatoes will be established and spread. Australia supplies one-third of England's requirements, and California much more, in peaches and pears. Canada has a chance to get a good share of this business.

Dividend Policy

Most market attention has been paid to the 2nd preferred stock of Canadian Canners. The low point in 1933 was 3⅜ and the high point 14. Recently it has been around 11 and 12 and pays at the rate of 20 cents a share per annum. The market at that price apparently is discounting an increase in earnings to around $1 a share on the combined second preferred and common stock. More than that has been paid in the past.

The mistake of the boom years was looking too far ahead and overlooking the possibility of recessions. It is understood the board of this company will follow the policy of increasing dividends only when it feels that the increase can be maintained.

Canadian Canners needs half a million dollars in net profit after first preferred dividends to pay $1 a share on 2nd preferred and common stock. It had nearly $1,000,000 available in the year ended February 28, 1930. That was its high-water mark. Executives expect some day to strike that figure again or surpass it. The company and the industry are likely to be subject always to certain fluctuations up and down. If general business conditions are more stable, the hope is to get more or less stability in sales even though packs must necessarily fluctuate. As to a depression like the last (or present) one, no foresight can avoid all its effects.

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The Nation's Business

(Continued from page 1)

ginning to gain prominence. Sir Douglas Hogg, now Viscount Hailsham, was chairman of the British delegation and undoubtedly the information he secured at that time has been a factor in formulating the policies of the British government on the recent Far Eastern problems. The fourth meeting was held at Shanghai in 1931 when hostilities between China and Japan had actually broken out.

This year the Conference meets in the serene peacefulness of the Canadian Rockies but the delegates are fully aware of the rumblings of military and economic warfare around the Pacific Basin as elsewhere in the world.

* * *

THE purpose of the conference and the method of organization were well set down by Hon. Newton W. Rowell, who said on the opening day:

> "The Institute of Pacific Relations is an entirely voluntary and unofficial organization. This conference is wholly unofficial. No Government is represented, nor entitled to be represented. The institute receives no Government subvention nor support. The conference will make no attempt to frame agreements. It will not even pass resolutions. It does not expect to settle any international disputes, but it expects to contribute to that mutual understanding between peoples which will make settlement of such disputes possible."

As the conference has no governmental powers and passes no resolutions, the speakers can be as frank as they like. There is little opportunity provided for diplomatic intrigue. Much good is done by the interchange of views and by the dissemination of the information obtained by the delegates, when they return to their own countries.

The success of the conference depends largely on the calibre of the delegates from the different countries. This year's conference has attracted many men of influence in the Pacific nations. Canada's representatives include some of our most notable students of international affairs.

TAXPAYERS IN DARK ON LOSSES IN WHEAT

(Continued from page 1)

lower levels than were reached. There is at least a case to be made out for this idea, although it would be difficult to prove that much more has been accomplished than to keep our wheat from being exported, to help build up the Canadian wheat carryover to its present size, and to leave a clear field for the marketing of Australian and Argentine wheat.

Is There Profit or Is There Loss?

But a new objective appeared to emerge when the price of wheat began to rise some months ago, that of making a large profit. Party newspapers began to talk of the government's huge profits in wheat. Government holdings, taken on under the excuse that there were no other purchasers in sight, were retained when other purchasers appeared and clamored to be allowed to buy. As a result, wheat prices soared to levels that could not be maintained, to levels that shut off our export business, and to levels from which there has been an inevitable reaction.

The profit that seemed to be almost in hand has entirely or in large measure disappeared, but not before discussion began as to whose profit it was. It was said to belong to the pools, presumably to the farmers who had wheat in the 1930 pool, the marketing of which was the nominal excuse for the continuance of the agency. Politicians began to calculate the possible effect on the next election of the distribution of some millions of dollars through the pool organization.

It is time for the government to redefine its objectives, and to regularize its procedure. The first is easy, and should be to get out of the market just as soon as possible. Liquidation of its commitments must necessarily take some time, but should be speeded up. The idea of profit should be dropped, for even if price stabilization is a proper function of government, market speculation is not, and profits are no easier for governments than for private individuals to realize. Pool operations should be wound up, with the government assuming whatever loss has to be borne. The directors should be discharged of any further connection or shadowy responsibility for government operations.

Mr. McFarland Entitled to Definite Status

So long as it is necessary for Mr. McFarland to operate on government account he should be accorded both the status and the responsibility of a government representative, and sworn in as a servant of the crown, and so should each member of his staff. The country has been fortunate in having a man of Mr. McFarland's recognized integrity and undoubted business ability in such a position, for which he draws no salary, but it is an altogether absurd and wrong position.

Government operations cannot affect the long term trend of prices, but it is the literal truth that a day to day movement of prices is entirely within the control of the agency, and that buying or selling could put the market up or down as might be pre-determined. The making of a private fortune, or a whole series of such fortunes, could be made an incident to the conduct of government operations, or might even result from the leakage of information as to actions accomplished or contemplated. Whoever is in charge, and as well all those who have necessary knowledge of operations, should be given the standing, the protection and dignity of direct public responsibility.

Necessarily, in the final outcome, there will be a profit or a loss, probably the latter. But profit or loss, the question of who is to benefit from it or suffer from it should be made clear.

Taxpayers Entitled to Know Position

So far as one can judge now from public statements by the Prime Minister of Canada, the position of the Canadian government in regard to both its guarantee of wheat pool loans and its stabilization operations in the wheat market is that any losses that are involved in either of these operations are to be assumed by the Dominion Government while any profits are to go to the wheat pools for distribution.

When Mr. Bennett undertook to guarantee the bank advances to the wheat pools, an action which was never justified, there were few people who expected that the Central Selling Agency of the wheat pools would be able to liquidate the pool's holdings at a price sufficient to pay carrying charges and cover the advances that have been made by the banks to the pools and by the pools to their members. The government was faced from the start with an almost certain loss and for its protection it had taken no security whatsoever from the pools. For that matter, the pools had no security to give the government. It was a bad deal from the start, every intelligent and informed person knew that it was a bad deal, and the only hope was that the losses of the government would be kept to the minimum.

Later, however, the government, as we have seen, apparently stepped into the wheat market and purchased large additional quantities of futures contracts in order to prevent wheat prices from declining further. The government frankly admitted that it was filling the gap that was left when speculators abandoned trading in wheat. It was justly remarked at the time that the chief reason why speculators had abandoned wheat trading was government interference in the wheat market, both in the United States and in Canada. But in any event, the government undertook large scale gambling operations in the wheat market, the true extent of which has never been revealed to the public. With these operations, unlike the guarantee of the wheat pool loans, there was always some fairly good prospect of a profit accruing. They were undertaken fairly close to the bottom of wheat prices and in the recent rise there must have been a considerable increase in the value of the government's holdings, some of which may still exist on paper. Mr. Bennett has never made it entirely clear who is to be the ultimate beneficiary of these profits, if any. But a reasonable interpretation of the few statements he has vouchsafed to the taxpayers whose money has been at stake must lead to the conclusion that he considers these profits to be the property of the Central Selling Agency for the wheat pools.

Operations of Two Distinct Kinds

It must be obvious to even the most simple-minded person that there is a very great difference between the guarantees of the wheat pool loans and the stabilization operations of the government. If these stabilization operations were undertaken for the purpose of enabling the original pool holdings to be liquidated more easily then might have been considered as part of the same transaction but Mr. Bennett has never contended that this was their purpose. But the country's credit was not put in jeopardy and the possibility of loss was not assumed only for the benefit of that small group of farmers who comprise the membership of the three western pools. Rather the risk was taken for the supposed benefit of the whole nation. The taxpayers at large will have to dig deeply into their pockets to pay the losses, if losses result from these speculations. Under these circumstances, is there any justice in declaring that the profits belong solely to the wheat pool members?

A definite declaration by Mr. Bennett as to where the country stands in regard to these stabilization operations with a clearer definition of the points referred to above would be very useful. But part of the declaration should embrace a clear statement to the effect that the taxpayer whose money was put at risk will gain the benefit of any profits that are earned just as he is to pay the losses on either or both operations.

DOSCO TO CALL SPECIAL MEET BONDHOLDERS

(Continued from page 1)

for Dosco in this business. On the other hand it enables the company to keep its large plant in operation, provide employment for some 1,500 men in rolling operations, and will require about 125,000 tons of coal from the company's mines.

Dominion Coal Outlook

Dominion Coal Co., a controlled subsidiary, has been doing better this year. Coal required for the steel rail order and for delivery to the St. Lawrence area, will enable the company to keep its pits fairly busy this year. There is also the possibility that if the Welsh coal strike is prolonged, the company will be able to widen its market in Quebec and Ontario.

Order for Eastern Car

Eastern Car Co., another controlled company, is largely dependent upon the railways for equipment orders. This type of business has been very scarce over the last two years. Last January, however, the company secured an order for 500 all-steel Gondola cars. Aside from this business prospects for Eastern Car are not overly encouraging this year.

The major development in connection with Dosco this year was the placing of one of its principal subsidiaries, Nova Scotia Steel and Coal Co. in liquidation. Last January Sir Newton Moore announced that the date for the payment of interest on the Nova Scotia Steel's debenture stock expired on January 14 and that the management found it impossible to make the payment and consequently the debenture interest was in default.

A week later the trustee for the debenture holders sought a court order for the appointment of a receiver. Hon. Gordon W. Scott and the Eastern Trust Co. were appointed receiver-managers of the company with the power to carry on operations and with the authority to borrow money in order to conserve the company's assets.

Liquidator Is Favored

This action did not meet altogether with the approval of some of the security holders; in March the court was asked and appointed a liquidator under the Winding-up Act. It was alleged in the hearing that the company was insolvent and that the best interests of the creditors would be served by having the company's affairs handled under the Winding-up Act rather than under the Bankruptcy Act.

In April the Court appointed D. H. McDougall, former president of the company, and Eastern Trust Co. as joint liquidators of Nova Scotia Steel under the Winding-Up Act.

Operations Show Loss

Toward the end of April the bondholders of Nova Scotia Steel met and approved the interim report submitted by the committee. This report showed that on operations under receivership from January 19 to March 31, there was a net loss for the period of $56,257 before providing for depreciation, loss on operations at Wabana, bond and debenture interest, sinking fund and professional fees and expenses in connection with the receivership.

At the proposed meeting of Dominion Steel and Coal Corp. first mortgage debenture holders, the financial and varied corporate affairs of the company will be fully discussed in order to determine on a method or methods of placing the organization on a sound footing.

POWER UTILITY CONCERNS MAINTAIN EARNING POWER

(Continued from page 1)

in turn, a greater demand for electricity to be used for motive power.

Earning Power in 1933

The following table showing gross and net earnings for the first half of 1933 and 1932 of those companies making periodical reports:

	1933	1932
Canada Northern Power		
Gross	$1,787,276	$1,714,197
Net	1,246,571	1,182,585
East Kootenay Power		
Gross	$199,478	$219,832
Net	125,566	138,311
Winnipeg Electric Co.		
Gross	$2,677,413	$2,923,251
Net	810,427	908,856
Manitoba Power Co.		
Gross	$645,265	$704,775
Net	508,867	547,111
Shawinigan Water & Power		
Gross	$5,987,743	$6,247,368
Net	3,279,728	3,457,696
Southern Canada Power		
Gross	$1,033,579	$1,093,357
Net	662,616	698,429
Quebec Power Co.		
Gross	$1,899,688	$2,111,189
Net	759,507	808,597
B. C. Power Corp.*		
Gross	$5,258,636	$5,809,720
Net	1,750,196	2,056,363

*Five months only

Prospects More Promising

East Kootenay Co.'s operations have been affected by the unsettled coal mining operations in its territory. The recent receipt of a large coke order from Winnipeg Electric Co. by the Crow's Nest Pass Coal Co. is expected to help the utility to make a better showing during the balance of the year.

Manitoba Group Problems

Winnipeg Electric, Manitoba Power and Northwestern Power Co. are all involved in corporate and operating problems. Competition from the Winnipeg Hydro System, the closing of the Manitoba Paper plant, and the general falling off in demand for electricity has affected all three companies. Investigations are now being carried on with a view to settling the difficulties of the three companies and to place them in a stronger operating position.

Shawinigan Moves Ahead

Shawinigan Water and Power Co. has improved its position to a greater extent than the half yearly figures would indicate. The earnings in the second quarter were on a better basis than in the corresponding period of 1932, while since the end of June both sales of power and earnings have been on the upgrade. Industrial activities in the territory served by the company have shown a change for the better in the past six or eight weeks and earning power during the balance of the year is likely to be on a better basis than in the last half of 1932.

Southern Canada Power, through the varied industrialization of its territory, has been less affected than other utility operators. Both its power sales and earnings have been well maintained since the collapse of the boom period. Operations have been less affected by the depression than in the case of other utilities.

While Quebec Power's income this year is on a lower basis than in 1932, its position, like that of the parent company, Shawinigan, has been somewhat more favorable lately.

B. C. Power Report Shortly

Heavier taxation and smaller demand for its services, are reflected in British Columbia Power's income statement for the first five months of this year compared with the same period in 1932. Figures for the full half year are not available, as the company's year ends in June. The financial statement for 1932-33, which is expected to make its appearance shortly, will most likely show insufficient earnings to cover the $2 dividend on the Class A stock.

Reports on other power utilities which do not issue regularly interim statements on earnings, such as Montreal Light, Heat and Power Consolidated, Duke-Price Power Co., Ontario Hydro, etc., would appear to indicate that their experience, as far as earnings are concerned, is much the same as that of the reporting companies.

Exchange is Factor

One factor which would be of marked advantage to all the utilities would be a better exchange rate on the purchase of U. S. funds. Practically all of the utilities have borrowed funds in the United States, and the paying of interest charges in American funds has constituted a heavy drag on earnings. With the Canadian and American dollar at parity, share earnings of the utility companies would show a substantial increase — in some cases as much as 50 cents a share.

Output Well Maintained

Of equal interest to holders of utility stocks is the manner in which the companies have been able to maintain sales this year. In some instances the increased sales have not been reflected in larger earnings owing to lower rates in force. In the case of Shawinigan, for example, the company has been marketing a large block of power for use in electric steam boilers. Ontario Hydro, Montreal Power and other distributors have entered the same market. While the returns on the sale of this class of power are low, the companies are enabled to obtain some profit on energy that would otherwise be wasted.

Following are comparative figures showing the kilowatt hour output of the principal reporting producers for the first half of 1933 and 1932:

(Thousands of Kilowatt Hours)
Half Year Figures

	1933	1932
Southern Canada Pwr.	91,760	87,129
Canada Northern	231,252	216,131
East Kootenay	33,309	33,985
Shawinigan	1,819,646	1,709,177
B. C. Power	221,873	236,947
Northern B. C. Pwr.	4,889	4,243
Winnipeg Electric	98,956	94,387
Manitoba Power	145,170	164,399
N. W. Power	1,184	20,902
Power Corp.	828,094	858,124

Power Corp. of Canada is not an operating company. It controls or is associated with a number of operating units, whose output in the aggregate constitutes one of the largest forces in the Canadian power field. The figures show this group to have experienced only a minor decline in output this year.

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U.S. Hits High Finance In New Security Law

Investment Banking Business May Be Revolutionized by Measures Designed to Protect Investors

By ROGER S. DAVISON

CHARACTERIZED as "probably the most important piece of legislation that has been passed by the recent Congress" the Securities Act of 1933 was signed by President Roosevelt on May 29th and became fully operative on July 27 last. The new Act, as interpreted by Mr. Roosevelt, is an attempt to insure that "every issue of new securities ...shall be accompanied by full publicity and information, and that no essentially important element attending the issue shall be concealed from the buying public."

This legislation does not directly affect Canadian financing and investment. But an understanding of the Act is essential to all Canadian investors and business and financial executives. It may profoundly affect investing habits. It will certainly lead to a demand for greater protection for Canadian investors.

This legislation entirely alters the present relationship between every officer or director of a company and his shareholders or bondholders; between every corporation counsel, auditor or other expert and the purchasers of new issues to which such individuals give their certificate of approval; between every banking firm, bond dealer or financial agent and his client. As President Roosevelt stated in his message to Congress: "This proposal adds to the ancient rule of 'caveat emptor,' the further doctrine: 'let the seller also beware.' It puts the burden of telling the whole truth on the seller. It should give impetus to honest dealing in securities and thereby bring back public confidence."

Need Was Apparent

That some drastic measures are required to restore confidence in the mind of the investor, no one will deny. It has been estimated that over $25,000,000,000, or nearly half of the total securities floated in the United States since the war, have been proved to be worthless today. This figure is greater by nearly $10,000,000,000 than the total foreign investment of that country.

No comparable figures are obtainable for Canada but it cannot be doubted that the total of fraudulent or misrepresented flotations in this country in recent years has been very large.

In both the United States and Canada, individual states and provinces have enacted "blue sky" legislation in an attempt to restrict the operations of the unscrupulous or greedy promoter. Such efforts have been only partially successful as the colossal total of losses due to security frauds affirm. In both countries there has been an increasing demand for federal action to protect the investor. The federal authorities have not been blind to the necessity of a new approach to the problem but have been faced with constitutional as well as political difficulties. The Securities Act of 1933, enacted in the United States as a federal measure, boldly breaks through tradition and practice and sets up a new standard for financial promotion and security transactions.

Features of Legislation

The most important features of this new legislation may be broadly summarized under three headings:

(1) A company issuing new securities or anyone connected with the sale of these securities to the public must file a registration statement with the federal authorities, and, before any new security may be sold, a prospectus providing full information contained in the registration statement must be given to the buyer.

(2) Full responsibility rests upon any official, director, company expert or financial agent connected with the financing in the event of loss to the investor; provided it can be shown the registration statement or prospectus was misleading in any particular.

(3) Any person who sells a security (whether new or otherwise) by means of misleading information may be held liable to the buyer for the full amount of the purchase price or for damages if the security has been disposed of.

The requirements of the new law are so onerous and the penalties so severe, that to date little effort has been made in the United States to offer new issues of securities with the exception of government flotations which are exempted from the main clauses of the Act. The question in the minds of all business and financial men is "Will the new legislation work?" An answer cannot be given to this question until its provisions have been given a fair trial. In subsequent articles on this subject, some of the practical objections to the Act will be discussed, as well as various other phases of this radically new legislation.

In the meantime, the reader should have a general picture of the Act before him; and so in order to present its contents in as clear and concise a manner as possible the various sections, with related comments, are listed below in tabular form. Readers are advised to keep this handy summary before them for reference as further articles appear in subsequent issues.

SUMMARY OF U. S. SECURITIES ACT OF 1933

PART I.

Section Numbers	Provisions	Comments
1.	Title: "Securities Act of 1933."	
2.	Definition of terms such as security, person, sale, issuer, prospectus, underwriter, dealer, etc.	*The paragraphs of this section defining "prospectus" and "underwriter" are particularly important. The buyer must be provided with substantially the information contained in the registration statement (see section 5). Underwriter includes any person having direct dealings with the issuer of securities.*
3.	Exempted Securities. These include any security issued by (a) The U. S. Government, State, or Municipality; or any federal or state controlled corporation; or any national or state bank; or a Federal Reserve bank. (b) Religious, educational, fraternal or similar institutions. (c) Building and loan associations or similar co-operative institutions. (d) Railroads and other common carriers (subject to provisions of Interstate Commerce Act). Also (f) Any certificates issued by receiver or trustee in bankruptcy. (g) Any insurance or endowment policy. (h) Any note, draft, etc., maturing within nine months.	*While these specific securities are exempted as far as the main purpose of the Act is concerned, it is important to note that under section 12 all securities come within the Act.*
4.	Exempted Transactions. Under this section certain transactions such as those between individuals who are not professional security dealers or those which involve no public offering. Ordinary brokerage transactions are also exempted. The exchange of one security for another by an issuer with the security holder is exempted if no remuneration is paid anyone.	*While brokerage transactions are exempted it is specifically stated that this exemption does not include "the solicitation of such orders."*
5.	Prohibitions Relating to Interstate Commerce and the Mails. This section prohibits the use of the mails to effect the sale of securities, etc., unless a registration statement (see section 6) has been properly filed with the Federal Trade Commission, and unless a prospectus accompanies or precedes the delivery of the security itself.	*Sales of securities may be made by telephone, after a registration statement is in effect, provided delivery of the security is not made prior to presentation of a prospectus.*
6.	Registration of Securities and Signing of Registration Statement. Registration is accompanied by filing statement signed by the issuer, its principal executive, financial and accounting officers, and by a majority of the board of directors and, in the case of a foreign issue, by its duly authorized representative in the United States, except that in the case of a foreign government it need be signed only by the American underwriter. A fee of 1/100 of 1 per cent of the maximum offering price is required.	*This section is one of the most important in the Act because of the obligation it imposes upon the directors of the issuing company.*
7.	Information Required by Registration Statement. Schedules A and B accompanying the Act set out the information required.	*The schedules referred to require detailed information regarding past record of company, purpose and cost of proposed financing, ownership of business, etc.*
8.	Taking Effect of Registration Statements and Amendments Thereto. A registration statement becomes effective 20 days after filing unless the Federal Trade Commission issues a stop-order on the grounds of incomplete or inaccurate information being contained in the statement.	
9.	Court Review of Orders. This section gives any issuer the right to appeal the order of the Federal Trade Commission.	
10.	Information Required in Prospectus. All information contained in the registration statement is required by this section, with the exception of certain legal documents. The information contained in the prospectus, however, must not be of a date more than twelve months prior to such use.	*The usual prospectus issued in the past in connection with new offerings of securities will bear no resemblance to the mass of information now required. One may well ask "Will anyone read this information?"*
11.	Civil Liabilities on Account of False Registration Statement. If a registration is inaccurate in a material respect or omits a material fact, every purchaser of the security has the right to bring action against the issuer, all signatories to the statement, the issuer's experts and the underwriters. The purchaser may claim to recover the entire purchase price paid or damages in case the security is no longer held, provided it cannot be shown that the purchaser knew at the time of purchase that the registration statement was not correct.	*This section is the core of the new Act. The penalties strike an entirely new note with respect to the responsibilities of corporate officials and security underwriters. The liabilities under this section are joint and several.*
12.	Civil Liabilities Arising in Connection With Prospectuses and Communications. Any person who sells a security in violation of section 5 or by means of a misleading prospectus or oral communication shall be liable to the purchaser to the same extent as the liability incurred under section 11. Liability with respect to misleading prospectuses, etc., is incurred whether the securities are new or old.	*Every dealer, agent or representative who sells securities is affected by this provision.*
13-16.	These sections restrict or amplify sections 11 and 12.	
17.	Fraudulent Interstate Transactions. All fraudulent devices or practices are prohibited as well as circulars, etc., giving information regarding securities but not disclosing the consideration, if any, to be received by the person issuing same.	*This provision is aimed at the unscrupulous "stock salesman" and at the tipster sheet.*
18-26.	These sections define the scope of the Act and special powers given to the Federal Trade Commission. Jurisdiction of offences and suits, special penalties, and various legal points are also referred to.	

Economic Wisdom Down the Ages

and How History Repeats Itself

* * * *

FRANCE TRIES A SHORT CUT

"The measures ultimately adopted, though they promised fair, only aggravated the evil. The first and most dishonest measure was of no advantage to the state. A recoinage was ordered, by which the currency was depreciated one-fifth; those who took a thousand pieces of gold or silver to the mint received back an amount of coin of the same nominal value, but only four-fifth of the weight of metal. By this contrivance the treasury gained seventy-two millions of livres, and all the commercial operations of the country were disordered. A trifling diminution of the taxes silenced the clamours of the people, and for the slight present advantage the great prospective evil was forgotten."

—From a discussion of France's finances in 1720 by Dr. Charles Mackay in "Extraordinary Popular Delusions."

* * * *

IT'S THE SAME OLD WORLD

"Some in clandestine companies combine;
Erect new stocks to trade beyond the line;
With air and empty names beguile the town,
And raise new credits first, then cry 'em down;
Divide the empty nothing into shares,
And set the crowd together by the ears."

—Daniel Defoe.

* * * *

"EVERYWHERE DECLINING WAGES"

"Labor must stand at a disadvantage so long as the supply of productive plant exceeds the possibilities of our consumption; and hence the meaning of everywhere declining wages."

—The New York Journal of Commerce, September, 1894.

* * * *

THINGS WERE BAD IN '95

"There are several millions of working people out of employment in this country today, many of whom are in a starving condition. Trade and commerce are almost prostrated, factories are idle, wages lower than ever before."

—Washington Times, January, 1895.

* * * *

Trust in Will Permits Deferred Distribution

Granting Life Interest in Estate Protects Heirs; Conserves Principal; Succession Duty Charges Are Reduced Substantially

Article Nine of a Series on Wills and Estates

In making a bequest in his will the testator usually has a definite purpose in mind and to attain this purpose it is often necessary or desirable that his executor should retain some control over the principal involved. The inclusion of a trust in the will in order to permit such control is the surest way of providing that the end desired will be attained after the death of the testator. Some of the desirable features of trusts have been outlined in a previous article in this series and it has been indicated that trusts can be drawn to meet the requirements of the testator. These requirements will vary in each individual case, but it will not be amiss to consider some of the usual problems for which the trust offers solution.

The chief object of most trusts is the protection of the chief beneficiaries who have been dependent upon the deceased and who must depend for their living on the estate that he leaves. The needs of the widow and minor children are paramount although in many cases there will be children who are married and have children of their own. Provided that the widow is amply provided for until her death it is usually desired that the residue of the estate will devolve upon the children and through the instrumentality of a trust this can be definitely provided.

Can Give Widow Life Interest

The trust may provide that the widow is to receive, during her lifetime, an income from the whole or part of the estate and principal will thus be left intact for distribution after her death. Provision may be made, however, so that payment out of capital can be made in the event that income from the estate is insufficient for her support. A supplementary memorandum laying down the principles that the testator wishes his trustee to follow will aid the trustee materially in following out the wishes of the testator. Upon the death of the widow the assets in the estate can be distributed among the children or other beneficiaries or can remain in trust, with income payable to beneficiaries, until such time as the testator believes it desirable that distribution be made.

By leaving his widow a life interest in his estate a man assures himself that with the principal left with a competent trustee his wife will not suffer through unwise investments that she might otherwise be importuned to make and that her future is definitely provided within the limits imposed by the size of the estate. Not only is the wife provided for, but the testator can define the way he wishes his estate to be divided among his children or other beneficiaries following his wife's death. While his wife may be in perfect accord with the testator when he writes his will as to how the estate shall be divided her views in later and more advanced years may be changed by pressure exerted by members of the family or by others.

In addition to the wife there may be sons and daughters for whom provision should be made. The temperaments and capabilities of these children may vary widely and the testator may foresee many contingencies that can arise. The trust can be devised to allow for these differences and contingencies. It may be considered inadvisable to place large sums of money in the hands of children who are not sufficiently matured in their judgments to handle it properly. The trust can provide that principal shall be retained by the trustee until such beneficiaries have reached the age of discretion and that in the interval preceding distribution they shall receive the income from the estate.

There is a great variety of reasons why it may not be desired to leave money and other assets in the possession of children without exercising some control as to how the funds shall be used. The same reasons that warrant placing of funds in trust for a wife will also apply to daughters who may or may not marry at some future date. If the daughter marries, her husband may be able to provide for her or he may not. In either case an independent income from a trust fund will add to her security. The husband may not have the capacity to advise her properly in her investments or may be overly optimistic with regard to the placing of her funds. A trust will guard against loss of principal despite almost any eventuality and serve as a constant reminder of the thought and care given to the disposal of his assets and the protection of his dependents by the one who left the estate.

Trusts necessarily impose restrictions on how the assets in an estate shall be handled but they should not impose hardships on the beneficiaries. The restrictions imposed may be considered irksome by some beneficiaries but often it is these very people who require the protection that the trust can afford. No will should be drawn without the assistance of an experienced lawyer and this is true to even a greater extent where a trust is included. Economic and social conditions are undergoing constant change and the trust, however well conceived, that does not give sufficient latitude to trustees to allow for such changing conditions may ultimately cause hardship on beneficiaries. The provisions of the trust should not only be the result of careful thought and consideration on the part of the person who is thus providing for the distribution of his estate but should be subject to the scrutiny of close friends or legal counsel who may be able to add materially to the value of the trust by suggestions that had not been considered.

Trust Reduces Tax Payable

The method of deferred disposal of assets made possible by including a trust in the will may also aid in the proper conservation of the estate by reducing Succession Duties. Where all property is left to the wife and she in turn wills it to the children to whom it passes at her death, two Succession Duties are payable on the same estate and the maximum duty has been paid. If, on the other hand, the man had given his wife a life interest in his estate and had given directions as to how the final distribution of the estate should be made after her death, only one Succession Duty payment would have been necessary. The saving would be made in the elimination of duty payable at the widow's death. In any estate of dutiable size a saving can be made proportionate to the size and nature of the trusts. Example of this avoidance of duplication in Sucession Duties was given in article six of this series. In the case given a saving of over 10 per cent of the estate of $180,000 was made by leaving assets in trust.

But in addition to the protection of dependents and the saving to be gained in Sucession Duties the trust can have many other uses. It may be desired to leave funds for some specific purpose such as the maintenance of some charity or institution. There are examples of such bequests in almost every community of any size in Canada. Through the trustees appointed these bequests are being used for the purpose for which they were originally intended in accordance with the wishes of the donor, many years after his decease.

Note: The next article in this series will consider the life insurance trust and will appear in an early issue of The Financial Post. The entire series will be published later in booklet form.

LAWYER PROPOSES GOV'MENT GROUP ON PUBLIC WORKS

Says Commission to Study Plans For Relief Building Needed

Importance of wise expenditures by the Government for public works was stressed by J. R. Stirrett, Toronto barrister, in an address given before the Halifax, N.S., Kiwanis Club recently. In order that Canadaa prepare to do her part along with the rest of the industrial countries of the world in relieving the present depressed situation, it is imperative that a commission be formed to consider what type of construction is most needed and will do most to relieve the present unemployment burden, he said.

Boost Purchasing Power

Recovery of prices is an essential if any degree of prosperity is to be gained, he said, and while a recovery has been very evident, purchasing power of the public has not asserted itself in sufficient volume to sustain the recovery in prices.

The section of his address dealing with the banking commission and his proposal for a Public Works Commission is as follows:

Despite the collapse of the World Economic Conference, the forces of recovery under the leadership of President Roosevelt have temporarily routed the forces of deflation. It is now essential in the interests of world recovery for Canada to do her part in retaining the initiative or the mastery of operations which the United States have so forcibly regained.

As matters now stand Canada is "half boom and half broke." Successful speculators have recently made spectacular profits, but offsetting these successes, the number of unemployed in Canada have apparently increased. It is estimated that 800,000 or 8 per cent of the total population of the country are at the present time on direct relief. Purchasing power on the part of the consuming public has not yet asserted itself in sufficient amount to sustain the recovery in prices.

Faced with this serious situation the Canadian government has taken no new steps to ameliorate conditions or to consolidate the gains already made. Can it be that, without the agency of a central bank with which to provide cheap and abundant credit and low interest rates within the country, and without any organ of government constituted to consider and expend public monies on public works, the Canadian government finds itself impotent to do its part in the great task of recovery?

The strategic objective of the forces of recovery is everywhere admitted to be to raise the level of commodity prices. The tactical methods by which this objective can be attained have been clearly enunciated by Premier MacDonald and President Roosevelt on the occasion of the former's visit to Washington. It was then agreed that "Central Banks should, by concerted action, provide adequate expansion of credit, and every means should be used to get the credit thus created into circulation. Enterprizes must be stimulated by creating conditions favorable to business recovery, and governments can contribute by the development of appropriate programmes of capital expenditure."

In the foregoing it should be noted that the existence of a Central Bank as an agency in restoring prosperity was assumed as a prime essential. As Lord MacMillian's commission on banking is now determining whether Canada should have a Central Bank, one can only hope that their verdict will be quickly rendered. Only then can effective steps be taken by way of open market operations to lower the yields on high grade securities and the rates of interest within the country.

But even after the Central Bank has begun to function, the government of Canada is still unable to carry out any policy of expenditure on public works until an organ of government has been set up for the purpose of determining the difficult matter of what particular projects shall be financed with public funds.

In the United States Secretary Ickes in his capacity as Administrator of public works is empowered under the Recovery Act to consider and approve of all projects in the United States deserving of national financial support. He has ruled that projects, in order to merit support, must be ready to commence at once, be capable of being completed within a year, be for the permanent good of the community, and involve no subsequent upkeep charges on the part of the federal government. No doubt, additional conditions will subsequently be laid down. Certainly it seems important in considering appropriate types of public works to know to what extent they will relieve the burden of unemployment relief and increase the taxing power of the treasury.

If Canada, however, truly intends to do her part, it is imperative that such a body be set up without delay to consider appropriate projects of public works on which the government of Canada may wisely make expenditures. Valuable time would be saved if a Public Works Commission were constituted by order in council at once, to enable it to carry on its work concurrently with Lord MacMillan's commission on banking.

Increase Seen Insurance Sold Since New Deal

Greater optimism prevails among insurance company executives and local agents throughout the United States as the N. R. A. campaign to place American business back upon a prosperous plane progresses, according to the Eastern Underwriter, New York. The business improvement that has occurred is being translated gradually into a greater volume of income. Particularly is this so in the Middle West where values of farm products, raw materials and manufactured goods have risen to a somewhat greater degree than in the Eastern States.

Insurance will be one of the last businesses to feel the effects of the improved conditions, just as it was one of the last to be hit by the depression, it is stated. While the turn for better business began in March, it is only in the last few weeks that an increase in premium income has become really noticeable.

As inventory values have risen and have tended to maintain higher levels than earlier this year and in 1932, manufacturers and retailers are coming into the insurance market for additional fire coverage. Many renewals are being written for the same amount as before, and others are being increased.

PARTIES BROKEN UP, B. C. ELECTIONEERING

Half of Tolmie Administration Has Deserted—Liberals Claim Victory in Sight

From Our Own Correspondent

VANCOUVER.—The date of the provincial election approaches. General expectation is that it will be during the last week of October or the first week of November.

Premier Tolmie will face the contest with half of his cabinet resigned and scattered to other camps. Mr. Tolmie may not have candidates of his own in more than about half the ridings; where the independents are regarded favorably by him he will give them his blessing and throw them support. If the independents are in a majority in the next house Mr. Tolmie may re-assert his authority and claim leadership. Or the province could face the unusual predicament of being without a permanent premier until the legislature assembles.

Liberals appear to be solidly entrenched and well organized, and Hon. T. D. Pattullo, leader, is confident of success. If he loses it will be because of the general discontent towards party politics. Representatives of the Co-operative Commonwealth Federation have been waging an active campaign and some of their more optimistic spokesmen have been predicting that the C.C.F. will hold the balance of power.

Growth of the non-party movement has been amazing during the past six months, and there will be more independents in the field than ever before.

Ontario Tobacco Crop About Half 1932 Total

This year's tobacco crop in the Ontario district is being variously estimated at between 50 and 70 per cent of last year's crop. The extremely hot and dry weather has rather burned out some fields and unless there is rain soon the yield will be light in some districts.

Owing to weather conditions it will be harvested at least two weeks earlier than usual. Reports from the Tillsonburg area state that the tobacco there is standing up well, despite the lack of rain but that a 70 per cent crop is the best that can be expected; unless there is some rainfall about 60 per cent of last year's quantity will likely be harvested.

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Federal Market Control Aim of B. C. Fruitmen

From Our Own Correspondent

VANCOUVER.—As a result of the Regina marketing conference British Columbia fruit growers expect that federal marketing legislation will be secured in time for the handling of the 1934 fruit crop of the Okanagan valley and other orchard districts of the province.

Premier S. F. Tolmie says he favors legislation embodying the principles of the British Agricultural Marketing Act.

When the proposed measure is drafted it will be submitted to a committee named at the Regina conference and finally referred to a national conference, which will probably be held in Toronto in connection with the Royal Winter Fair in November. The idea is to have the bill ready for action at the winter session of the Federal Parliament.

The rapid headway made by the controlled marketing movement in recent months and the steps that are being taken in the United States under the National Industrial Recovery Act are accepted as an indication that it will be easier than in the past to get action at Ottawa.

P. G. E. Line Shows Profit on Operations

From Our Own Correspondent

VANCOUVER.—For the first time in its checkered history, the Pacific Great Eastern Railway in 1933 will show a net operating profit for the calendar year.

The forecast is made by Robert Wilson, executive secretary of the railway, in view of the fact that the net operating profit for June was $5,535 as compared with a loss of $11,782 in June, 1932.

Increased traffic due to the gold mining revival in the Cariboo and the mining activity at Bridge River are the chief reasons for the upturn in the company's affairs.

June was the fourth month in which a net operating profit was shown.

Standard Steel List Stock on Montreal Curb

From Our Own Correspondent

MONTREAL.—Montreal Curb Market announces the listing of 9,790 preferred shares of no par value and 120,525 common shares of no par value of Standard Steel Construction Co. This company was incorporated in 1928 and is engaged in manufacturing and erecting structural steel, automotive accessories, conveyors, grain mixers and processing equipment of various kinds.

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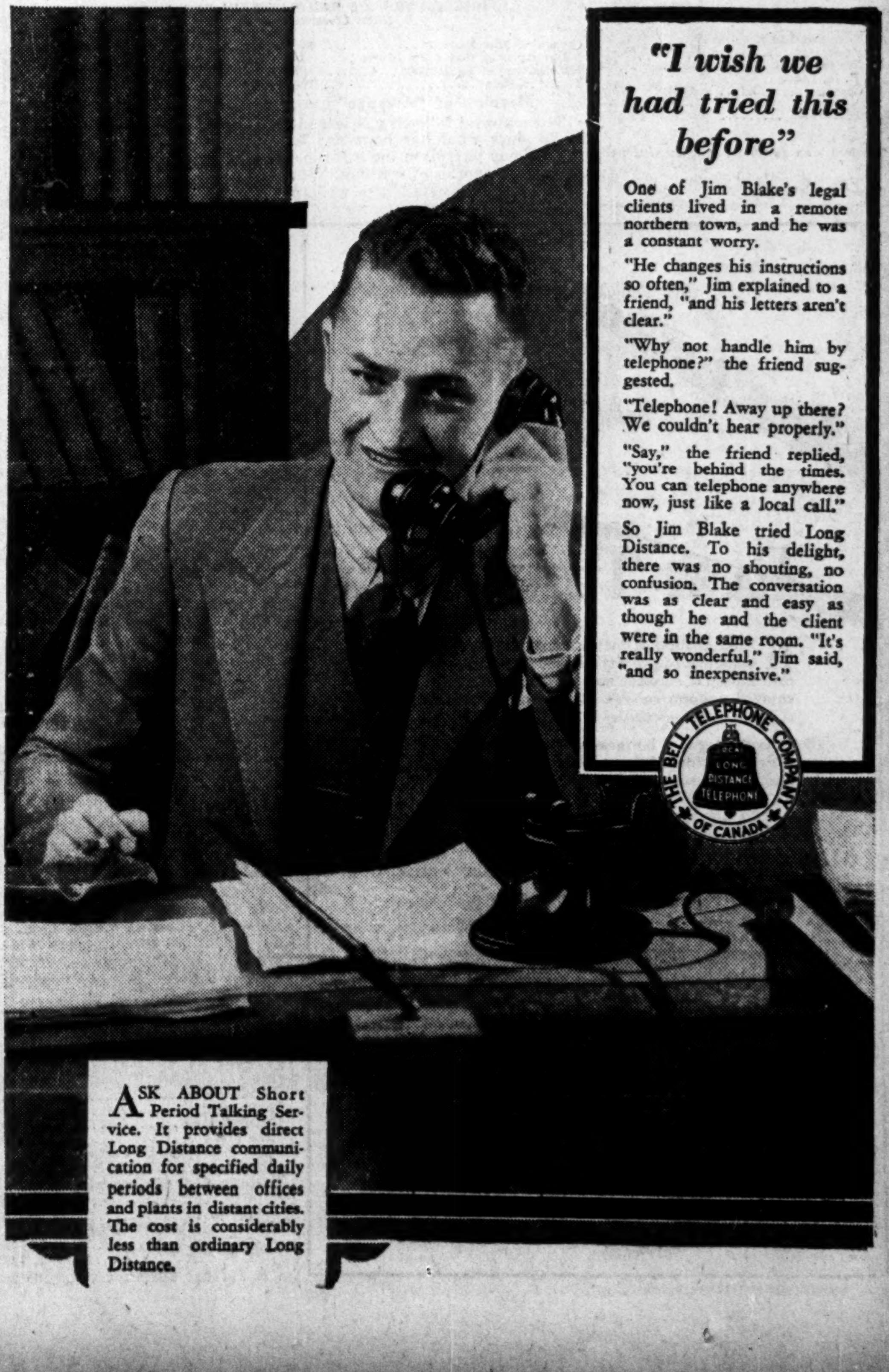
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"I wish we had tried this before"
One of Jim Blake's legal clients lived in a remote northern town, and he was a constant worry.
"He changes his instructions so often," Jim explained to a friend, "and his letters aren't clear."
"Why not handle him by telephone?" the friend suggested.
"Telephone! Away up there? We couldn't hear properly."
"Say," the friend replied, "you're behind the times. You can telephone anywhere now, just like a local call."
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ASK ABOUT Short Period Talking Service. It provides direct Long Distance communication for specified daily periods between offices and plants in distant cities. The cost is considerably less than ordinary Long Distance.

Utilities and Transportation

MANITOBA POWER HALF-YEAR PROFIT ON LOWER SCALE

Returns for June Indicate Upturn in Trend of Earnings

From Our Own Correspondent

MONTREAL—Though Manitoba Power Co.'s income for June is on a healthier basis than for the same month a year ago, returns for the first six months are not as favorable.

Operating revenue in June, 1933, amounted to $108,419, expenses $22,571, leaving a net operating income of $85,848. For the same month last year gross revenue totalled $99,830, expenses $23,619, and net income $76,211.

For the six months ended June the company had a gross income of $645,265, or nearly $60,000 less than for the corresponding period of the previous year. Expenses were reduced from $157,665 to $136,398, but the saving in this manner was not sufficient to offset the decline in gross. Net operating income, accordingly, amounted to $508,867 compared with $547,111 for the first half of 1932.

Bondholders Form Committee

During 1932 Manitoba Power showed its bond interest earned 1.30 times after depreciation charges. The lower income this year is due largely to the loss of the power load formerly supplied to the Manitoba Paper Co., which company has been in bankruptcy for some months.

The company also is concerned in the troubles of the parent organization, Winnipeg Electric, which failed to meet its obligation in respect to another subsidiary—Northwestern Power Co. In order to protect the interests of the bondholders, a protective committee was formed last month with J. H. Lithgow as chairman.

A representative of this committee, together with one each from the bondholders' committees for Northwestern Power and Winnipeg Electric, are investigating affairs of the three organizations with a view to determining some equitable arrangement of reorganization.

Public Utility Earnings

Manitoba Power

June:	1933 $	1932 $	Increase $
Gross earn.	108,419	99,830	8,589
Oper. expenses	22,571	23,619	*1,048
Net earn.	85,848	76,211	9,637
Six Months:			
Gross earn.	645,265	704,776	*59,511
Oper. expenses	136,398	157,665	*21,267
Net earn.	508,867	547,111	*38,244

*Decrease.

Jamaica Public Service Limited and Subsidiary Companies
Condensed Monthly Report

Month of June:	1933 $	1932 $
Gross earnings	63,339	61,463
Oper. exp. & taxes	50,533	40,095
Net revenue	22,806	21,368
Int. & amort.	9,295	9,328
Balance	13,511	12,040
12 Months End. June 30:	1933	1932
Gross earnings	795,691	798,639
Oper. exp. & taxes	463,487	484,482
Net revenue	332,204	314,157
Inc. other sources†	....	3,911
Balance	332,204	318,068
Int. & amort.	111,566	112,340
Balance	220,637	205,728
Condensed Surplus Statement		
Prior earned surplus	232,899	201,895
Balance as above	220,638	205,728
	453,537	407,623
Retirement reserve§	90,000	90,000
Balance	363,537	317,623
Net direct charges	28,442	‡16,276
Balance	335,095	333,890
Dividends:		
J P. S. Co., Ltd.:		
Preference	38,377	38,500
Preference B	17,500	17,500
J. P. S., Ltd.:		
Common	45,000	45,000
Earned surplus	234,218	232,899

‡Credit.
†Interest on funds for construction purposes.
§Amount set aside by directors during the twelve months' period.

FAST TURN-OVER

REGARDLESS of fluctuating economic conditions, Canadian companies engaged in the refining and distribution of gasolene and petroleum products have enjoyed uniform success. Their earnings have been stable . . . their securities in good demand.

It is the type of business which enjoys repeat sales, where the product is immediately consumed, and fresh purchases must be made daily.

CHAMPLAIN OIL PRODUCTS
LIMITED
Cumulative Participating No Par Value Preference Shares
Dividends at the rate of 60 cents a share per annum accrue from August 1st, 1933

The Company holds contracts with three major Canadian refining and distributing companies for the supply of its requirements on terms which assure a substantial margin of profit.

Price: $7.50 per share to yield 8%

Descriptive circular furnished upon request

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122

Canadian Rail Wages Show 38% Shrinkage

Payroll Restriction Reflects Sharp Decline in Freight and Passenger Traffic Volume, Economies in Man-power, Reductions in Salaries and Wages, and Amalgamation of Services

From Our Own Correspondent

MONTREAL.—Canada's railway wages shrank 38 per cent between 1929 and 1932.

This reflects the sharp decline experienced in the volume of freight and passenger traffic, economies in man-power, reductions in salaries and wages and amalgamation of services by the two major lines.

In the last year of the boom period the Canadian railways paid out in salaries and wages a sum totalling $290,732,501, of which $260,903,331 was charged to operating expenses.

Last year railway workers received salaries and wages amounting to $181,113,588, of which $165,598,739 was charged to operations.

Now Seeking Further Wage Reduction

Further attempts are being made by the Canadian National Railways and the Canadian Pacific Railway to reduce their labor costs. On December 1, 1931, the running trades received a flat decrease of 10 per cent in basic wage rates. Previously salaried employees had had their wages reduced.

The 10 per cent cut in basic wage rate paid to the operating and allied trades was to last for one year. Upon the expiration of that time the railways sought an additional 10 per cent cut reduction in the basic charge. This move is being opposed by the unionized groups involved and one division has in process the taking of a strike ballot.

In view of the current developments and the widespread importance of the railway labor dollar in the buying power of practically every community across the country, an examination of the railway salary and wage bill over the last four years brings to light the importance of wages and salaries to the railways in their endeavor to reduce expenses and the importance of the railways as a means of livelihood to over 100,000 workers all across the Dominion.

Railway Payroll Represents Big Item

As pointed out the total railway payroll declined from $290,732,501 in 1929 to $181,113,588 in 1932. The proportion of the payroll chargeable to operating expenses in the same period, declined from $260,903,331 to $165,598,739 last year. In other words the railway payroll shrunk 38 per cent in the four-year period, while that applicable to operating expenses dropped 35½ per cent.

The railway payroll for the past four years follows:

	Total Payroll	Charged to Operating Expenses
1932	$181,113,588	$165,598,739
1931	229,499,505	209,795,335
1930	268,347,374	251,540,129
1929	290,732,501	260,903,331

Working Hours Available Register Shrinkage

It is a difficult matter to determine exactly what proportion of the decline in payroll charges is due to the smaller working force or to the first reduction of 10 per cent in basic wages. Of the two factors, undoubtedly the decline in working hours has been the most prominent.

During 1929 the Canadian railways reported the amount of work available as 391,790,157 hours and 10,869,143 days. This work provided employment for an average of 152,801 workers by the hour and 35,045 workers by the day, or an average total of 185,846 employees.

The recession in railway operations is well illustrated by comparing the foregoing figures with the amount of work available last year. In the 12 months ended December, 1932, workers were on duty only 236,732,598 hours and 8,338,831 days. This work was spread among an average of 130,192 employees, of whom 102,353 worked by the hour and 27,839 by the day.

The amount of work made available by the railways in each of the last four years is shown in the table hereunder:

AMOUNT OF WORK AVAILABLE ON CANADIAN RAILWAYS

	Hours on Duty	Days on Duty	Average No. Employees	
1929	391,790,157	10,869,143	152,801 H 35,045 D	185,846
1930	347,864,161	10,470,655	140,703 H 33,782 D	174,485
1931	289,325,162	9,360,810	123,391 H 31,178 D	154,569
1932	236,732,598	8,338,831	102,353 H 27,839 D	130,192

Distribution of the Railway Dollar

In what manner did the railways apportion their payroll during this four-year period?

In 1929, $103,937,402 was appropriated for workers in the transportation division. Maintenance of equipment workers received $67,064,243 and maintenance of way and structures workers $54,064,324. Administration and general staff received $44,700,632.

Four years later the railway wage bill was distributed in the following manner: Transportation, $62,924,140; maintenance of equipment, $37,628,699; maintenance of way and structures, $32,035,023; and general and miscellaneous, $33,940,557.

Figures Are Subject to Misinterpretation

The first observation in examining the following table showing the distribution of railway salaries and wages is that the greatest percentage decline has taken place in the running trades and maintenance employees' wages. This is true, but in fully analyzing this factor it will be seen that when the volume of traffic increases, an increasing percentage of the payroll goes to the operative forces. Similarly when traffic declines the amount paid to the operating forces declines. Administration salaries assume a relatively large proportion of the payroll in years of lean traffic, but the percentage declines as the volume of business increases.

DISTRIBUTION OF RAILWAY SALARIES AND WAGES
(First Classification all Salaries)

	1929	1930	1931	1932
General & Miscellaneous	$44,700,632	$44,306,206	$39,965,727	$33,940,557
Maintenance of Way & Structures	54,803,824	48,770,729	40,939,321	32,035,023
Maintenance of Equipment	67,064,243	62,302,067	51,672,243	57,628,699
Transportation	103,937,402	93,787,446	79,162,307	62,924,140

Meaning of "Average"

The material following is intended to show what has happened to the railway payroll in the more important categories of workers. Before going into detail it is well to quote certain passages from the Dominion Bureau of Statistics Report on Steam Railways

In reporting the average number of employees up to 1931 the Bureau states that it should be understood that the average is actually the total number of employee years, or the number of employees working one year. Thus, each employee might mean one employee working twelve months, or twelve employees working one month, or six employees working two months, etc. Consequently, the averages per year are not the actual averages per employee but per position or employee year.

In the 1932 returns the average number of employees is the monthly count divided by 12 and is more properly speaking the number of man year positions, i.e., for seasonal employees, such as extra sectionmen, 12 men working 3 months would appear as an average of 3 men for the year. It follows that the average rate of wages per year in the above case would be 4 times as high as the rate at which wages were actually received by each of these 12 men for the time employed and the number of hours worked per year would also be the total time divided by 3. For the classes not greatly affected by seasonal fluctuations in the numbers employed, the average would be more nearly the true averages per employee, although reductions during the year would have the same effect as changes in the numbers due to seasonal fluctuations in requirements. The average hourly and daily rates, however, are correct, as also the total salaries and wages paid.

Consider New Schedules

In many instances the figures following, showing wages paid, do not reflect the current position owing to wage reductions put into effect at different times during the past year and still in force.

For that reason it should be noted that the Canadian National and Canadian Pacific railways made reductions of 10 per cent in basic rates as follows:

Engine crews	Dec. 1, 1931
Train crews	Dec. 1, 1931
Telegraphers	Dec. 1, 1931
Shop craft	Apr. 1, 1932
Main. of way and structures	May 1, 1932
Sleeping & dining car porters	
C P	Jan. 1, 1932
C N	May 1, 1932
Clerks and Freight Handlers	
C P	Mar. 1, 1932
C N	Aug. 1, 1932

A further 10 per cent reduction is sought by the railways and this is the cause of differences and present negotiations between the representatives of the employees and the companies.

Executive Payroll Changes

Between 1929 and 1932 the amount paid out to executive officers and assistants on the Canadian railways declined from $5,691,793 to $4,531,548. The average number of employees in this classification dropped 103 to 786, as shown in the following table:

Executives, General Officer & Assts.

	Aver. No.	D. Aver.	Aver. Yearly	Total
1929	889	$21.36	$6,402	$5,691,793
1930	888	21.75	6,524	5,793,508
1931	851	20.60	6,241	5,311,403
1932	786	19.26	5,765	4,531,548

Divisional Payroll Drops

Division officers have dwindled in number as well as in the amount paid to them in salaries. In 1929 some 1,187 division officers received salaries totalling $4,279,176. Four years later there were only 981 officers, while salaries paid amounted to $3,276,183.

Division Officers.

	Aver. No.	D. Aver.	Aver. Yearly	Total
1929	1,187	$11.10	$3,605	$4,279,176
1930	1,168	11.39	3,694	4,314,875
1931	1,098	11.08	3,533	3,879,012
1932	981	10.51	3,340	3,276,183

4,000 Fewer Clerks

Nearly 4,000 fewer clerks were employed by the Canadian railways in 1932 than in 1929. While the daily average salary paid to this class of employee did not change materially, the aggregate amount paid dropped nearly $7,000,000 to $19,753,962, as follows:

Clerks.

	Aver. No.	D. Aver.	Aver. Yearly	Total
1929	18,232	$4.70	$1,446	$26,367,788
1930	17,680	4.75	1,460	25,827,349
1931	16,396	4.80	1,419	23,269,287
1932	14,525	4.57	1,360	19,753,962

Fewer Carmen

Decline in the volume of passenger traffic and consequent drop in the number of cars in use, is reflected in the number of carmen (Class C) in employment dropping from 8,163 in 1929 to 5,333 in 1932. There was a corresponding drop in the amount of wages paid by the railways to this type of worker as will be seen in the following table:

Carmen (C).

	Aver. No.	Wage Per Hr.	Aver. Yearly	Total
1929	8,163	$0.72	$1,662	$13,569,097
1930	7,682	.72	1,578	12,125,092
1931	6,986	.73	1,437	10,036,540
1932	5,333	.68	1,313	7,003,099

Repair Work Declines

With fewer trains in operation in 1932 than in 1929, it is not surprising to find that the amount of repair work declined, necessitating fewer machinists. The tabulation hereunder shows the changes which have taken place in this group over the four year period:

Machinists.

	Aver. No.	Wage Per Hr.	Aver. Yearly	Total
1929	4,998	$0.79	$1,753	$8,762,872
1930	4,927	.81	1,666	8,212,235
1931	4,584	.80	1,488	6,819,391
1932	3,536	.75	1,375	4,863,029

Sectionmen Show Decline

Maintenance of way is regarded as a prime necessity in railway work, but even this division has not escaped the effects following the decline in traffic. There were nearly 4,000 fewer sectionmen employed in 1932 than in 1929, while the amount paid out in wages dropped over $5,000,000 during the period.

Sectionmen.

	Aver. No.	Wage Per Hr.	Aver. Yearly	Total
1929	19,365	$0.41	$1,032	$19,999,204
1930	18,308	.42	1,061	19,434,279
1931	17,345	.42	1,037	17,988,572
1932	15,493	.40	960	14,866,774

Passenger Trains Less

Fewer passenger trains and amalgamation of services have meant fewer conductors. In 1929, 883 road passenger conductors were employed and the railways paid them $2,675,460 in wages. Last year only 685 conductors were needed and compensation paid had dropped to $1,798,461. The changes are noted in the next table:

Road Passenger Conductors.

	Aver. No.	Wage Per Hr.	Aver. Yearly	Total
1929	883	$1.14	$3,029	$2,675,460
1930	886	1.16	3,053	2,705,481
1931	820	1.16	2,876	2,358,380
1932	685	1.076	2,625	1,798,461

Passenger Service Restricted

The smaller number of road passenger conductors employed follows with a corresponding reduction in the number of men employed as passenger train crews. The average number of engineers employed dropped from 1,218 to 918 in 1932. The decline was even more pronounced in the case of firemen and helpers, while the average number of brakemen, flagmen and baggagemen dropped about 25 per cent in the four year period. The principal employment statistics in the latter three groups follows:

Road Passenger Engineers & Motormen.

	Aver. No.	Wage Per Hr.	Aver. Yearly	Total
1929	1,218	$1.51	$3,382	$4,119,922
1930	1,220	1.51	3,361	4,100,980
1931	1,079	1.516	3,308	3,569,690
1932	918	1.393	2,977	2,732,516

Road Passenger Firemen & Helpers.

	Aver. No.	Wage Per Hr.	Aver. Yearly	Total
1929	1,216	$1.16	$2,509	$3,051,634
1930	1,203	1.16	2,498	3,006,092
1931	1,089	1.177	2,491	2,588,443
1932	872	1.088	2,252	1,963,547

Road Passenger Brakemen, Flagmen & Baggagemen.

	Aver. No.	Wage Per Hr.	Aver. Yearly	Total
1929	2,018	$0.84	$2,148	$4,826,025
1930	1,999	.845	2,141	4,280,754
1931	1,835	.85	2,025	3,715,298
1932	1,577	.79	1,804	2,845,113

Less Freight—Less Work

The falling off in freight traffic has been the principal problem which the railways have had to contend with in the past four years. The actual tonnage handled and the number of tons of freight moved per mile of road have declined severely.

All this has meant that the railways have not had the same need for their equipment, while the use of more powerful engines and increasing size of load hauled, has tended to cut down the number of freight trains employed. It follows that less work has been available for freight train crews and the figures for the past four years, set forth hereunder, afford a clear idea of the declining volume of freight handled by the Canadian railways from 1929 to 1932:

Road Freight Conductors.

	Aver. No.	Wage Per Hr.	Aver. Yearly	Total
1929	2,390	$0.96	$2,948	$7,045,892
1930	2,086	.99	2,830	5,904,781
1931	1,799	1.01	2,653	4,775,402
1932	1,582	.94	2,389	3,779,242

Road Freight Engineers & Motormen.

	Aver. No.	Wage Per Hr.	Aver. Yearly	Total
1929	2,989	$1.105	$3,296	$9,854,437
1930	2,560	1.132	3,148	8,058,987
1931	2,206	1.157	2,957	6,523,113
1932	1,923	1.079	2,686	5,164,977

Road Freight Firemen & Helpers.

	Aver. No.	Wage Per Hr.	Aver. Yearly	Total
1929	3,298	$0.827	$2,250	$7,410,233
1930	2,844	.853	2,145	6,102,400
1931	2,432	.871	2,021	4,915,688
1932	2,170	.815	1,797	3,898,642

	Aver. No.	Wage Per Hr.	Aver. Yearly	Total
1929	5,309	$0.756	$2,217	$11,297,425
1930	4,668	.78	2,029	9,473,894
1931	3,980	.78	1,912	7,608,579
1932	3,599	.74	1,662	5,981,207

Freight Handlers Fewer

With a smaller volume of freight and passenger business, station employees have had less and less to do. Between 1929 and 1932 the number of freight handlers and other station employees declined from 5,675 to 3,748, while the amount paid to them in wages decreased approximately $3,100,000 to $3,591,665.

Freight Handlers & Other Station Employees.

	Aver. No.	Wage Per Hr.	Aver. Yearly	Total
1929	5,675	$0.50	$1,170	$6,640,722
1930	4,902	.50	1,168	5,728,185
1931	4,225	.50	1,092	4,613,048
1932	3,748	.46	958	3,591,665

Station Agents Affected

It might be thought that station agents would be unaffected, but such is not the case, as shown in the following tabulation. Not only has the number of agents decreased, but the amount paid in wages has dropped by about $2,750,000.

Station Agents, Telegraphers & Telephoners.

	Aver. No.	Wage Per Hr.	Aver. Yearly	Total
1929	6,146	$0.72	$1,918	$11,789,764
1930	6,089	.72	1,872	11,402,948
1931	5,778	.71	1,819	10,513,004
1932	5,427	.65	1,665	9,035,372

Consumption of Electricity Up in Quebec and Ontario

From Our Own Correspondent

MONTREAL.—Increasing consumption of electricity in Quebec during the first half of 1933 features the returns compiled by the Dominion Bureau of Statistics. Compared with the same period last year, Quebec has been able to register an average monthly increase of nearly 30,000,000 kw.h.

This gain was sufficient to give the Dominion, as a whole, an increased consumption of energy this year. This has little significance, however, as demand is localized. Examination of returns for the five principal economic areas, however, reveals the fact that since May last, with the exception of the Prairie Provinces, all areas have been recording wider use of electricity.

In the following table it will be noted that the Maritime consumption of electricity has been a lower scale for the first half of the year. The big drop occurred in February, March and April. Since then there has been an improvement and in June, consumption was ahead of the same month last year.

Central Area in Lead

Ontario and Quebec provide the major share of the increase. Both provinces report an increase in consumption during the half year. This is particularly noteworthy in the case of Ontario, where a marked decline had taken place until February last.

Consumption of energy has been backward in the Prairie Provinces. With the exception of May, the monthly returns have been on a lower basis than last year.

British Columbia, while not showing an increase, has managed to hold consumption at a figure approximating that for the first half of 1932. The average monthly decline has been only 1,300.000 kw.h.—a decrease which might easily be overcome during the balance of the year.

ELECTRICAL ENERGY CONSUMED IN CANADA
(Millions of Kw.h.)

	Maritimes		Quebec		Ontario		Prairies		B. C.	
	1933	1932	1933	1932	1933	1932	1933	1932	1933	1932
Jan.	55.2	60.3	604.9	576.9	451.5	460.6	134.3	150.2	101.6	107.1
Feb.	42.4	57.7	549.4	546.3	447.4	442.1	120.8	133.5	92.6	96.5
Mar.	48.1	55.2	575.3	584.6	479.3	470.3	123.4	126.3	98.5	100.5
Apr.	50.5	62.1	557.8	576.7	450.2	435.5	109.3	111.9	91.0	92.7
May	58.4	64.4	588.6	522.6	462.9	433.6	103.2	98.1	92.8	92.6
June	63.0	58.1	579.3	492.9	457.8	402.4	92.7	95.4	90.1	85.1
Total	317.6	357.8	3,455.3	3,300.0	2,749.1	2,644.5	683.2	715.4	566.6	574.5
Average	52.9	59.6	576.9	550.0	458.2	440.7	113.8	119.2	94.4	95.7

Montreal Power Stock Distribution Widens

From Our Own Correspondent

MONTREAL—Montreal Light, Heat and Power Cons. reports that at the end of June last the company had 32,062 shareholders, as against 32,221 at March 31, 1933, and 29,343 at June 30, 1932.

As at June 30 this year, figures on stock distribution show 3,919,368 shares on the general register, or 87.4 per cent of the total. This compares with 3, 908,293 at the end of the March quarter, or 87.1 per cent. The London register was unchanged at 3,698 shares.

Holding by banks and trust companies at the end of the second quarter of 1933 totalled 368,662 shares against 360,350 shares three months previously, while shares in brokers' names accounted for 193,968 against 213,355 in March and 233,060 a year ago.

In summing up the stock distribution, the company points out that whereas brokers' holdings declined 19,387 shares in the past quarter, "popular" holdings rose 11,075, bank-trust company holdings rose 8,312 shares.

Jamaica Public Service Income Ahead in June

From Our Own Correspondent

MONTREAL.—Jamaica Public Service Ltd. reports an increase in gross and net earning in June last, compared with the same month a year ago. Gross income in June this year totalled $60,339, an increase of $1,875 over June, 1932. After providing for operating expenses, taxes, interest and amortization, there remained a balance of $13,511 compared with $12,040 for the same month last year.

For the twelve months ended June 30, 1933, gross income totalled $795,691, or $2,947 less than received in the preceding twelve months. After providing for all senior charges, including interest, operating expenses, etc., there remained a balance of $220,637 for the year ended June 30 last. This represented an increase of $14,908 over the balance reported for the year ended June 30, 1932.

Three Rivers Plant of I. P. Advance Output

From Our Own Correspondent

MONTREAL — Canadian International Paper Co.'s Three Rivers plant is currently operating at about 80 per cent of capacity, representing a substantial increase over the rate two months ago when operations were between 25 and 40 per cent.

5.90% Yield

Province of Manitoba
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Price: 94.80 and interest, yielding 5.90%

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Provincial Light Co. Retiring $48,000 of Bonds

From Our Own Correspondent

MONTREAL. — Provincial Light, Heat and Power Co., controlled by Montreal Light, Heat and Power Cons., is redeeming $48,000 of its first mortgage 5 per cent bonds through the operation of the sinking fund.

At the end of 1932, the company had outstanding $917,000 of funded debt, which will be reduced to $869,000 on completion of the present sinking fund operations.

List Beauharnois Stock

From Our Own Correspondent

MONTREAL.—Beauharnois Power Corp's 762,000 common shares of no par value have been listed on the Montreal Curb Market. This is the new stock issued under the reorganization and replaces that formerly listed on the exchange.

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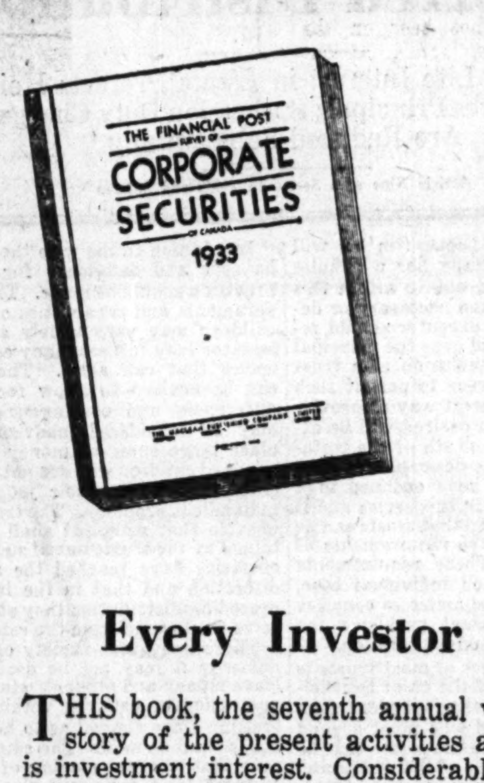

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News of Investment Markets

Bonds of Western Provinces Hold Their Price Advances

Statistical Reasons for Higher Prices Hard to Find—Gains Are Due to Declining Rates For Money

Western provincial bonds have advanced materially in price this year. They have been holding these gains. They are more popular with investors than for two years.

The question arises: Why?

It might also be asked: Does the economic position of the western provinces justify the trend?

A survey of investment and dealer opinion reveals that the declining trend of interest rates in Canada is considered the strongest factor in causing better prices for western bonds. More optimistic sentiment on the general outlook is also a cause. There is too a hope that the west will benefit from sales of wheat held by the Dominion government. Then conditions in British Columbia appear to show definite signs of basic improvement.

Against these must be set: (1) An unusually poor wheat crop on the prairies; (2) Continued provincial deficits; (3) Large per capita debts; (4) Unfavorable statistical estimates of farm purchasing power; (5) Bank reports that collection outlook is not materially improved.

Interest Rates

The decline of interest rates on prime provincial and Dominion securities is conceded to be the largest factor in improving prices of western provincial issues. A yield of over 4½ per cent will soon be a rarity on gilt-edged Canadian bonds, if the present trend continues. But bonds of the four western provinces can still be bought to return the investor from 5½ to 6 per cent. The resulting changes in prices since May are shown below:

Advances in Bid Prices for Western Provincial Bonds

	Aug. 8	May 8	Change
*Alta. 4½'s, 1956 ..	87¾	80	+7¾
Alta. 6's, 1947	102½	96	+6½
B. C., 6's, 1947	102	96½	+5½
*Man., 5's, 1959 ...	92½	84	+8½
Man., 5½'s, 1955 ..	93¾	89	+4¾
*Sask., 5's, 1959	89¾	84	+5¾
Sask., 6's, 1952	99¼	95	+4¼

*Payable in Canada and New York.

No definite basis has been found by The Financial Post for the feeling of bond men and some investors that "the worst is over" for the west. This seems to be largely a matter of opinion based on hope.

Crop Conditions

As to crops. On the prairies it is estimated authoritatively that the wheat crop will be the poorest for many years. Alberta's yield per acre is expected to be one of the lowest ever recorded. Saskatchewan is little better. This will be the fourth successive year of relatively poor crops in Saskatchewan. In Manitoba average conditions are slightly better than in Alberta and Saskatchewan, but are substantially worse than last year. British Columbia is enjoying good fortune and fruit crops are expected to be good.

As an offset to these discouraging crop conditions it is hoped that the Dominion government will be able to market its huge wheat holdings, estimated at 130,000,000 bushels. Any profit reaped on the operation is to go to the prairie governments. But it is considered doubtful whether this wheat can be marketed so as to more than cover obligations of the prairie governments in connection with it. A great deal depends on the price of wheat and on crops in Argentina and Australia. Continental Europe is harvesting good wheat crops.

One factor which may aid sales of the government's wheat is that most of it is believed to be of high grade. This year's crop is expected to be of lower grade as well of lower volume than for the last three years. Thus the government may be holding the very quality of grain which Europe may need for milling. But it has to be sold before any benefit will accrue to the west.

Income of Farmers

The total cash return from wheat to western farmers is expected to be less this year than last. At present prices it is estimated that about $110,000,000 will be the cash income of the prairies from wheat in the 1933-34 year. In 1932-33 it was $122,027,723, and in 1931-32 $113,685,591, according to the W. Sanford Evans Statistical Service, of Winnipeg. But if dollar wheat eventuates, it is possible that western farmers might get $140 to $150 million in the 1933-34 crop year. This would be higher than in 1931-32 and 1932-33. It has yet to develop, and in the meantime Canadian wheat prices are too high to allow substantial sales in Europe. Canada appears to be speculating on Europe rising to our higher prices. And if Australia and Argentina harvest good crops, this bubble might burst.

Bank Men's Views

As a result of the unfavorable crop conditions bank managers in the prairie provinces report that they are not optimistic about collections and trade during the current crop year. One Canadian bank recently sent a questionnaire to managers throughout the west. The answers indicated that no improvement is expected by the bankers. This has an important bearing on finances of the three prairie provinces since it gives a clue to what may be expected of tax returns.

Conditions in British Columbia are different to those on the prairies in some respects. As on the prairies, commodity prices are important to the Pacific area where lumbering, mining, fishing and agriculture are the chief industries. Whereas the prairies are considered likely to get little benefit from higher prices, British Columbia appears to be gaining something on this account.

Conditions in B. C.

B. C. fishermen are getting better prices for their salmon than for several seasons. The catch of some grades of fish is small. But on the whole the industry is reported to be improved. Lumbering has been more active. Prices are better. But it is reported that the United States market is not open for much lumber because wholesalers are said to have stocked up in anticipation of the U. S. recovery act restrictions. However, this industry is also believed to be better off than last year.

Mining in British Columbia is active. Here higher commodity prices have helped. Gold mines have benefitted from the premium obtained for their product. Base metal operators, like Consolidated Smelters, are much better off. Fruit is the most important cash crop to agriculture in British Columbia, and the growers have had a good season according to reports. Weather has been almost ideal. Thus there is improvement in all four of the chief basic industries in the province.

Financial Position

Financially the western provinces have improved their position somewhat. Deficits have been reduced, but persist. All four provinces will show deficits for their 1933 fiscal periods it is understood. Manitoba and British Columbia have budgeted for deficits in 1934, although the anticipated B. C. deficit includes provision for sinking funds and debt redemptions.

The per capita net debt of the prairie provinces is heavy, and deficits have been greater than in eastern provinces with their more balanced economies. This is shown below:

Per Capita Net Debt and Per Capita Deficits for 1931, 1932 and 1933*

	Per Cap. Net Debt $	Per Cap. 3 years Deficits $
British Columbia	183.20	15.61†
Alberta	182.27	12.93
Saskatchewan	149.11	11.13
Manitoba	147.82	7.96
Ontario	143.93	1.15
New Brunswick	135.94	4.52

*On basis of latest available returns, and on estimates of deficits for 1933.

†Would be $10.82 if provision for sinking fund and unemployment relief were omitted.

The Ontario and New Brunswick figures are included for purposes of comparison, these being the most indebted of the eastern provinces on a per capita basis. The figures do not tell the whole story of the west's heavy proportionate debt, because eastern areas are not so dependent on primary industries.

Comparative Statistics

In tabular form financial statistics for the four western provinces show that there is little to choose between them. All have had difficulties and unbalanced budgets. Some have shown greater ability to improve their position than others.

Alberta's budget experience for the last three years is shown below:

Alberta's Revenue and Expenditure Results and Estimates

Years ended Mar. 31	Revenue $	Expenditure $	Deficit $
1931	15,710,962	18,017,543	2,306,581
1932	13,492,430	18,645,481	5,153,051
1933	16,822,344*	16,673,144*	2,000,000†
1934	15,473,174*	15,463,474*	9,700‡

*Formal estimate in budget.

†Estimated from cash statement for nine months.

‡Estimated surplus in budget.

It is expected that Alberta's deficit will be reduced about $3,000,000 this year. A surplus was formally estimated when the 1934 budget was drawn up. But heretofore such estimates have been misleading. Good crops in some districts are offset by poor results elsewhere in the province, and consequently average tax revenue is not expected to improve.

Last year Alberta's crop showed relatively the poorest results on the prairies, and this year its average expectation is the worst of the three prairie provinces.

Manitoba's budget experience has been as follows:

Manitoba's Revenue and Expenditure Results and Estimates

Years ended Apr. 30	Revenue $	Expenditure $	Deficit $
1931	14,086,243	14,705,530	619,287
1932	12,174,206	14,631,341	2,457,135
1933	13,717,688*	13,692,044*	2,500,000†
1934	14,041,168*	14,537,023*	495,855*

*Formal estimate in budget.

†Estimated from operations.

Unfavorable Publicity

Crops are poor in Manitoba, but relatively the least damaged on the prairies. The province has suffered from unfavorable publicity, particularly in connection with the provincial savings offices, the Machray defalcations from trust funds, and from certain elements in Winnipeg whose mouthpiece is J. S. Woodsworth, M.P., the C. C. F. leader.

The statement above shows deficits in 1931 and 1932, although the budget was balanced by making appropriations from deferred subsidy accounts. These appropriations have been shown as deficits.

Saskatchewan is the only one of the four provinces which has returned its 1933 budget experience. This was as follows:

Saskatchewan's Revenue and Expenditure Results and Estimates

Years ended Apr. 30	Revenue $	Expenditure $	Deficit $
1931	14,346,009	18,202,676	3,856,667
1932	11,902,646	17,722,936	5,820,290
1933	14,834,888	15,414,209	579,321
1934	16,181,095*	16,177,090*	4,005†

*Formal estimate in budget.

†Estimated surplus in budget.

A substantial improvement is shown, and a balanced budget is formally estimated for 1934. But this again cannot yet be assured. The province is heavily indebted to the Dominion for refinancing and owes more than others in connection with wheat pool guarantees. It is the largest wheat-growing province by a large margin, and as a result may suffer more from the poor crop.

British Columbia's budget shows the following results:

British Columbia's Revenue and Expenditure, Results and Estimates

Years ended Mar 31	Revenue $	Expenditure $	Deficit $
1931	23,993,232	29,099,964	5,106,732
1932	22,162,657	29,214,218	7,051,561
1933	24,637,766*	23,776,770*	3,500,000†
1934	20,376,591*	21,811,943*	1,435,352*

*Formal estimate in budget.

†Estimated on information to Feb., 1933.

These figures would be more favorable if allowances for provincial sinking funds were omitted. This amounts to $2,450,682 in each of 1933 and 1934. It would reduce the estimated deficit in 1933 and would indicate a surplus for 1934, if it were disregarded.

B. C. Expenditures Heavy

The expenditures of British Columbia are heavier in proportion to population than in other western provinces. The reason is that a larger proportion of the population is urban. At the same time there has been a good deal of difficulty in finances of municipalities which has offset improvements in the province's finances. The province reduced its expenditures for the 1933 period by cutting subsidies to municipalities and by forcing cities and towns to pay for social services formerly maintained by the province. Thus to some extent the better budget position has consisted of transferring charges to municipalities which were formerly borne by the province.

It is considered doubtful whether this method of improving the province's budgetary position will be effective. At present an election is under way in the province, and municipal candidates are preparing for the fray with the intention of getting what they consider more reasonable treatment from the provincial legislature.

Debts to Dominion

All four western provinces are in debt to the Dominion for refunding loans in the United States. This situation arose because the credit of the provinces was not good enough to allow them to handle maturities themselves, at the time the financing was required. Much of this indebtedness does not represent new borrowing, but it is debt which is believed must ultimately be funded. It is, therefore, considered a bearish factor to the market for western bonds, since issues will probably be made to cover it when conditions are considered right.

Because of the help which the Dominion gave to the western provinces, there is some added faith in the bonds. Many financial men feel that the Dominion could not afford to let any western province default. But there is no assurance that Ottawa would carry such extra burdens indefinitely, even if it were possible to do so.

The three prairie provinces have recently been able to market bond issues with good success. The results were better than financial sceptics had expected. British Columbia has not been in the market since early spring. At that time an issue was only placed with difficulty. The change in the situation in the meantime is shown by the subsequent successful sale of bonds of the prairie provinces.

SMALL VOLUME IN BOND MARKET PRICES ARE FIRM

Quotations Slightly Higher on High Grades — Corporation Bonds Down

Quotations on high grade government and municipal bonds showed practically no change during the past week, although the tendency was in the direction of higher prices and the average yield on seven high grade Canadian bonds dropped below 4.4 per cent for the first time since the early summer of 1931. The comparatively small volume of the strongest government bonds that is being offered has had a strengthening effort on prices, although demand has been small in the last few weeks.

The trend of bond yields has been steadily, if gradually, downward since the middle of March. If this continues during the next two months it suggests that the Dominion Government will be able to finance on a highly satisfactory cost basis. Conversion of the 1933 maturity 5½'s which are due November 1, may be possible on a 4¼ per cent basis and presumably holders of the 5½'s due November 1, 1934, will also be offered conversion privileges.

Average Yield Lower

The Financial Post daily average of the yield on seven high grade Canadian bonds is shown for August and at monthly intervals back to February 1, as follows:

Average Yield on Seven High Grade Canadian Bonds

Aug. 15	4.397	Aug. 3	4.433
Aug. 14	4.406	Aug. 2	4.441
Aug. 12	4.413	Aug. 1	4.447
Aug. 11	4.413	July 2	4.506
Aug. 10	4.413	June 1	4.509
Aug. 9	4.415	May 1	4.655
Aug. 8	4.431	Apr. 2	4.670
Aug. 7	4.433	Mar. 1	4.640
Aug. 4	4.433	Feb. 1	4.597

Recent new issues of provincial and municipal securities have been well taken up by investors. Demand has been noticed especially for good municipal offerings, which have been purchased by institutions. When sterling was near par in Canadian funds dealers had a good volume of business with London but this has largely dried up and is expected to remain quiet until the pound sterling drops further in terms of Canadian funds.

Second grade corporation liens have shown some slight weakness in the past week. Abitibi 5's of 1933 are down two points on the bid side to 24. Beauharnois 6's are off a point and are quoted 50 to 52. Gatineau Power 5's are also down a point. Canadian Pacific 6's of 1942 have shown strength and are up 2½ points, but other liens on this company have shown no change. Dealers expect greater strength in prices of corporation bonds in September as investors return from their holidays and bring more activity to security markets generally.

Investment Notes

Imperial Tobacco

THE Imperial Tobacco Co. of Canada's common stock continues to uphold its reputation as the steadiest performer on the Canadian exchanges. Following the collapse of the stock market in October, 1929, this stock slipped off only a point or two in value. It dropped as low as 8½, but since then has been steadily climbing up and at the current level of 10½ is not far short of its all-time record price. The company has been experiencing a better volume of business of late, judging by the excise reports on tobacco entered for consumption. Purchasers of Imperial Tobacco stock, however, are not greatly influenced by short term developments. The stock is bought for investment account so that it does not attract the speculator and, therefore, is subject to minimum fluctuations in market value.

* * *

Gypsum, Lime

INCREASE in the value of building permits has drawn attention to the possibilities of the construction and building stocks such as Gypsum, Lime and Alabastine (Canada). The last report issued by this company did not make encouraging reading for the shareholders. Not only was bond interest unearned, but the president intimated that unless conditions took a change for the better it would be necessary to submit some sort of proposal to the bondholders in order to strengthen the position of the company. So far no such proposal has been put before the bondholders and it is understood that since the turn of the year the company's sales and earning power have been up to the management's expectations. There remains considerable ground to be recovered but if the company is able to hold and improve its position, it may not be necessary to take the action suggested by the president in his last annual statement.

* * *

B. C. Power

SOME interest has been shown in the Class A stock of British Columbia Power Corp. on account of the large yield on present market values. This company has been subjected to heavy taxation, which, in common with the decline in services experienced by other utilities, has tended to restrict earning power. The financial statement for the year ended June 30, 1933, will make its appearance in the near future. It is not expected that the income account will show as earned the $2 dividend on the Class A shares. Some estimates place the company's earnings as high as $1.50 a share, but they may be closer to $1 than to that figure. Whether or not B. C. Power will maintain the present dividend will depend very largely upon prospects during the balance of the year.

* * *

Canadian Car

PREFERRED stock of Canadian Car Co. has advanced from a low of around 10 to a current level of 17¾. During the last two years of the boom period this company demonstrated its ability to establish a substantial earning power. During those years the company built up exceptionally large liquid reserves in the form of cash and prime securities. Income from these investments goes a long way toward meeting preferred dividends. Earnings from operations, however, are dependent upon railway buying. Neither the Canadian Pacific or Canadian National Railways are likely to be in the market for new equipment on a large scale for some time. The company recently secured a small order from the National System, the receipt of which has again turned attention to the equipment stocks.

Langley's Listed

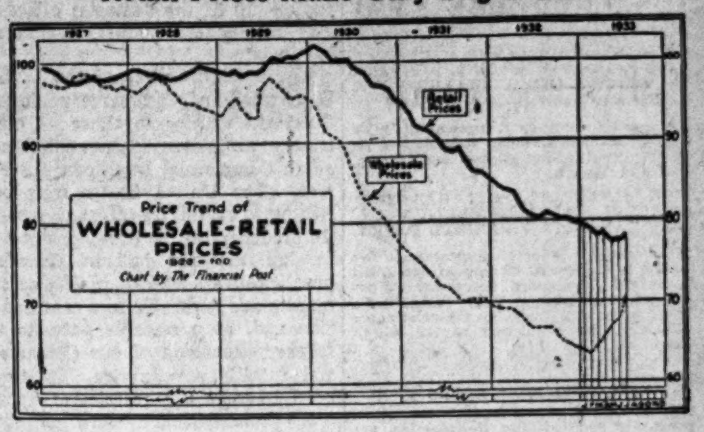
SHAREHOLDERS of Langleys, Ltd., will welcome the news that the Toronto Stock Exchange has accepted for listing $576,700 of 7 per cent cumulative preferred stock of $100 par value and 20,793 no par value shares. The company was incorporated in May, 1929, under Ontario laws to take over a company of the same name whose business had originally been established by George S. Langley in 1910.

The preferred stock was offered originally by Fry, Mills, Spence & Co., Bell, Gouinlock & Co., and S. R. Mackellar & Co. at $100 a share with the right to buy one share of common at $32 a share for every two shares of preference stock purchased. Three thousand shares of common stock were also sold at $32.

The company's business on the whole has kept up quite well during the depression, although there was a loss of $40,169 in 1932 after preferred dividends were paid and $45,712 was sent to depreciation reserve. Working capital was adequate.

It is understood that business in 1933 to date has been pretty well maintained. In the summer months there has even been some evidence of improvement as compared with the same period of 1932. The company's business reacts to general business conditions quite quickly. Intense competition from countless small shops still exists, but this also would be somewhat less in good times.

Retail Prices Make Only Slight Gain



While wholesale prices gained 2.9 points to 70.5 in July, retail prices failed to follow, advancing only 0.2 to 77.8 under the influence of higher food prices. The fuel index was down from 87.8 to 86.2, while food was rising from 62.2 to 63.2 and accounted for the small increase.

Retail Prices Gain Slightly Led by Foods

Food prices are rising steadily. Recording the fifth consecutive monthly advance, the index number of retail food prices of the Dominion Bureau of Statistics rose from 62.2 in June to 63.2 in July, this being the largest monthly advance of the present increase. The increase was chiefly due to higher prices for eggs, butter, potatoes, bread, flour and meats.

The index number for the retail prices, rents and costs of services, however, made only a small advance of 0.2 points to 77.8 owing to a sharp decline in fuel costs while the rent index and those for clothing and sundries remained steady. The decline in the fuel index from 87.8 to 86.2 is accounted for by a sharp drop in the cost of coal.

Although the food index is undoubtedly on the up-grade, the combined cost of living index is failing to keep pace with the rise in wholesale prices and therefore the spread between these two indices is being steadily narrowed. As both indices are based on the average of 1926 equals 100, a return to the same level would indicate normal conditions as far as price is concerned.

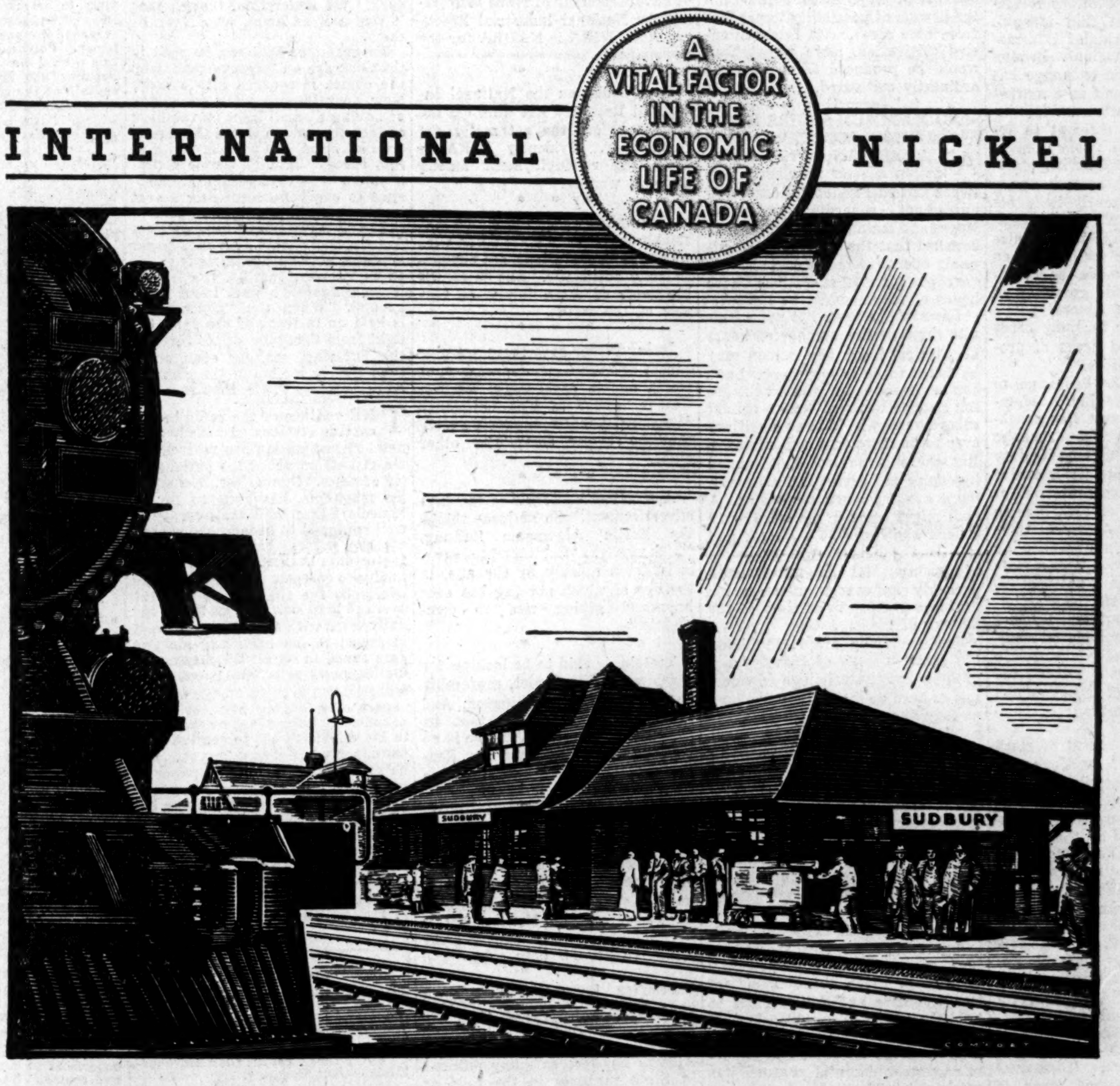
New Curb Member

From Our Own Correspondent

MONTREAL — Henri Turgeon has been elected a member of the Montreal Curb Exchange.

Bond Tenders

August 29—School Municipality of Sainte Madeleine, P.Q.—$50,000, 5 per cent debentures, redeemable September 1, 1943.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SUDBURY
SUDBURY

BUILDING COMMUNITIES

From a few groups of scattered buildings fifty years ago to large and progressive Canadian communities today, the towns of Sudbury, Copper Cliff and Port Colborne have grown with the expansion of the Canadian Nickel Industry.

The progressive policy pursued in the development of the Sudbury Nickel deposits has not only fostered the growth and economic welfare of these communities; it has also stimulated the growth of communities in every part of Canada as a result of the large amount of money distributed throughout the country for wages, freight, lumber, materials and supplies. It is of importance to Canadian communities everywhere that the production of Nickel from the Sudbury mines be continuous and increasing. To assure this the sales organization of this Company is continually seeking out and developing new markets for Nickel and Monel Metal throughout the world.

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● The greater use of Nickel and Monel Metal means a greater measure of prosperity for Canada . . . Use them wherever you can.

INCO MONEL METAL

THE INTERNATIONAL NICKEL COMPANY OF CANADA LIMITED

INCO NICKEL

1883 [The 50th Anniversary of Canada's Nickel Industry is being celebrated this year.] 1933

"The Story of Nickel", an interesting booklet dealing with the history and development of Nickel, may be had without charge by writing to the Company at 25 King Street West, Toronto

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TORONTO AUGUST 19, 1933

SELF-GOVERNMENT FOR FINANCE

THE New York Exchange is giving every evidence of a desire for self-reformation. Governors of the exchange have recently forbidden speculation on thin margins and they have demanded information on all pool operations. In view of the fact that the exchange has always regarded itself as a market place only, and not as an institution which should attempt to restrain or control the public in making free use of that market place, the new attitude of the exchange is significant. Apparently it is beginning to recognize a trustee relationship to the public; to recognize a responsibility for seeing that an open market is not made the instrument for nation-wide gambling in securities with the general public attempting to play its puny cards against the marked decks of professional manipulators.

It is well for the exchange to abandon its former stand. Academically their view was irreproachable. Theoretically the exchange was right in assuming that its duty was performed when it provided facilities for the representatives of buyers and sellers of securities to come together to transact their business. But in actual practice the exchange became more than a market place; it became a national institution in which the pool activities of larger brokers and traders, and the sales propaganda of members of the exchange developed a controlling influence over the habits of millions of investors and the mentality of millions of business men.

The recent rapid ascent of stock market prices in New York followed by a very precipitate decline was accompanied by a rich plucking of the public and the instrument that was used by the pirates was the same New York Stock Exchange that was the focal point of the 1929 debacle. The exchange as a market place was not responsible; but the exchange as a financial institution, as a collection of powerful financial houses, the exchange that is regarded as that great creature "Wall Street," was held responsible by the public.

Self-reform of the exchange is the best way out. It is better for the brokers to hedge themselves about with regulations, even if they are only regulations to protect the public against itself, than to have the Federal Governfent do it for them. Self-imposed control is always to be preferred to control by a rigid governmental authority.

The lesson has had to be learned by many Canadian financial and industrial corporations, institutions and groups. Such public or quasi-public institutions that do not regulate themselves find that sooner or later the public will undertake to do the regulating and in the process it often destroys the institutions.

UNCLE SAM CALLS IN HIS TRADE SCOUTS

PRESIDENT Roosevelt has shown little mercy for the ideas nearest and dearest to the heart of his predecessor in office. He has, for instance, cut the U. S. Department of Commerce to a third of its former size and wiped out many of the aids to business that had been established under President Hoover. That some measure of reform was desirable cannot be denied. American business men were coming to rely upon their government, not merely to create conditions under which they could do business profitably, but to do for them a great many things that they ought to have been willing to do for themselves. Developments had reached the point where the Department of Commerce was competing with many private service organizations.

Of interest to Canada, is the fact that in this reorganization of the Department of Commerce, the foreign commercial agents — trade commissioners—have been given rather short shrift. President Hoover was spending $4,000,000 a year on 53 foreign commercial agencies with 168 employees, 34 domestic offices with 235 employees and a headquarters staff of 823. President Roosevelt has cut down the number of foreign offices to 23 with a staff of only 77 and he has cut out 10 of the domestic offices. The headquarters staff has been cut in two.

The foreign offices of the U. S. Department of Commerce perform functions similar to those of our trade commissioners under the Canadian Commercial Intelligence Service. The United States may be willing to curtail its effort to assist its producers in the development of foreign markets but in Canada practically all classes in the community are favorable to a continuation and, at a suitable date, to a further expansion of our Commercial Intelligence Service. It may even be that the restriction upon trade commissioner work in the United States will give our own trade commissioners in different countries a better opportunity to push the sale of Canadian goods. Today we have more trade commissioners in the field than has the United States.

SMALLER ACREAGE HIGHER YIELDS

ANOTHER attempt to suspend the law of supply and demand is running into difficulties.

Although government bounties in the United States have resulted in reducing the acreage harvested in cotton from 41,000,000 to 29,000,000, recent crop estimates would make it appear that a 12,314,000-bale crop can be expected from the reduced acreage. This would be a good crop even for the former acreage.

Farmers have done everything in their power, and will do everything, to increase the yield from their available acreage. They have plowed under their poorer acreage to concentrate on their best fields.

The experience of the United States in cotton may be a warning to the great wheat-exporting countries against the proposal for reducing acreage in order to reduce the wheat crop. It is well within the bounds of possibility to produce from nine acres, with fairly intensive cultivation, more wheat than would be produced from 10 acres ordinarily cultivated.

NO MAXIMUM HOURS FOR BRAIN WORKERS

AN AMERICAN service organization advises its clients that it has signed President Roosevelt's agreement regarding minimum wages and maximum hours and has certified that the conditions are already operative in the organization "except as to staff executives whose hours of labor cannot be limited."

Laws can be passed to put a definite limit on the number of hours of physical labor any person may be asked to do in one week. Laws can be passed to fix minimum hours for routine work of "white collar" subordinates who have no ambitions ever to be more than subordinates. But there is no law that human ingenuity can devise to fix a maximum working week for brains. A man might come to his office at 10 o'clock and leave at 4 o'clock and still be the hardest worker in his organization for his mind would probably be concentrated on his business problems for most of the balance of the day.

The men who are really doing the creative work of industry ask nothing but the privilege of working as hard as they like for as long as they like.

BRITAIN'S UPTURN

DISPATCHES to The Financial Post from Great Brtain in recent months have reported a definite upturn in British home trade. A leading American chain store executive, returning from England reports, "They are on the 'up and up' there and with no flash are getting better and better in trade."

Much of the gain in Britiish trade is due to the stimulus afforded a host of brand new industries by protection. The abandonment of the expensive and futile effort to hold the pound at its old gold parity has also helped remarkably. Balancing the budget through curtailing governmental wastes has quickened initiative.

Britain does not call its recovery efforts a campaign but they are effective just the same.

BIG DIVIDENDS

SUPERFICIAL writers in American newspapers declare that the day of big dividends is past. The inference is that industry will have to share more generously with workers and that the payment of decent wages will prevent the earnings of profits as large as those to which stockholders have been accustomed.

But is there any justification for the premise that industrial profits have been excessive in the past? The highest estimates of industrial profits that have been made by any qualified economists indicate that industry as a whole has never earned as much as seven per cent on the average capital invested and many economists place the figure as low as three per cent. Individual industries have earned larger profits and no doubt attention has been focused on them to the exclusion of the industries that have earned very little or have lost money.

Capital in industry must be always permitted to earn a certain average return and this return will not vary much from decade to decade. If the average return tends to diminish, the flow of capital into industry likewise declines, productive facilities expand less rapidly and the profits of existing investments tend to increase until higher average profits again attract more capital and, judging from past experience and taking a realistic view of human nature, it is likely to be too much capital so that productive facilities become excessive. But if every dollar earned in profits were distributed among workers the wages of each could be increased by only a very small fraction, while industrial development, which creates jobs, would dry up.

Profits and wages never get very far out of line for very long. If there is any lesson to be learned from the recent experiences in the United States and Canada it is perhaps the need for a clearer definition of the right of the investor to a distribution of the profits his capital has earned. Much of the over-expansion of industrial facilities is the product not of the voluntary investment of new capital by investors but of the "ploughing back" of earnings by corporations which pay out of only a third or a half of their earnings in dividends and put a large portion of the balance in new plants. So many companies have reinvested their profits unsuccessfully that a movement is growing up to permit investors make their own mistakes instead of having them made for them by the directors of the companies in which they invest.

EDITORIAL NOTES

"Girl Bites Traffic Officer." That is news.

* * *

Port of Churchill won't be opened officially until 1934. But that doesn't defer the operating losses.

* * *

"Promises Drive on Consumer" says headline of NIRA administrator. Which seems to explain the scheme.

* * *

It is reported that "American books most popular in Argentina are the so-called best sellers." Remarkable, isn't it?

* * *

When firms announce in the papers that they have increased salaries we wish they would tell us as well how much they have cut them since 1929.

* * *

New York papers run full pages of advertisements of firms supporting the National Industrial Recovery Act. NIRA is NADRA for the newspapers.

* * *

Four books on the National Industrial Recovery Act were off the presses before the act really got functioning. Evidently NIRA is promoting re-employment among business writers.

* * *

An English writer complains that stockbrokers' letters are filled with wails and lamentations, are not sufficiently optimistic. But he should see some of those issued on this side of the water.

* * *

Irving Fisher says there are nine causes of booms and depressions of which one is psychology. Herbert Casson, editor of The Efficiency Magazine, London, suggests sagely that he throw away the other eight.

* * *

A satisfied customer is the best advertisement. So at least thinks the Berlin Algemeine Zeitung, which remarks "Capital punishment is inflicted quickly by the axe, in the use of which nothing has ever happened giving rise to complaints."

* * *

Trotsky is said to be looking for a job under the Soviet, preferably as ambassador to Washington. And Washington has hinted that he would not be welcome. There is no truth in the rumor that Mr. Bennett has suggested he be sent to Canada.

* * *

It is still a mystery who won the the Anglo-Soviet dispute. Britain has cancelled the Soviet embargo and Russia has released the engineers. Now Britain has reappointed an ambassador to Moscow but it isn't the same ambassador. It looks like a victory for both sides.

* * *

Premier Brownlee of Alberta says Alberta may take over the binder twine business as a public monopoly. Probably he figures that Alberta has lost so many millions in State ventures in the field of business that another expensive farce would not make much difference.

* * *

Donald R. Richberg. general counsel for the National Recovery Act administration at Washington, declares that NIRA is a revolution to gain industrial freedom of control from the irresponsible movement of economic forces. This, in American language, is sure tall talking.

* * *

In the United States hearings on the reconstruction codes, representatives are present for employers, labor and consumers. The latter are beginning to be heard from quite strongly. In connection with the garment code the consumer representative urged that there be a warranty of the quality value of each garment sold.

* * *

In a radio talk from London, Senator Key Pittman of Nevada says that the silver agreement signed at the World Conference is "the most remarkable multilateral agreement ever entered into between governments and of itself alone would have justified the conference." But then the senator will soon have to be seeking re-election in his home state so we must not judge his hyperbole too harshly.

* * *

The **primary** purpose of the NIRA campaign in the United States is to put men back at work by increasing the country's purchasing power by dividing up the available working hours, increasing wages and stimulating re-employment. Some of those who are promoting codes in Canada seem to think that the features of fair business, competitive practice and the elimination of price cutting are the primary features. They are making Polonius, who is a necessary character, the principal character.

POST-scripts

SPEAKING of tact, there is the story of a Toronto business man who took a trip to Europe. Just before he left one of his Jewish competitors took a contract away from him in close competition. When he got abroad he decided that he would show that there were no ill feelings in his mind by sending a post card to his competitor. Unfortunately, the idea came to him when he was in Munich, centre of Nazidom. The card he sent read "Having a wonderful time. Wish you were here." Now the Jewish business man wonders just what his friend meant.

JOHN BOIT writes to the New York Herald-Tribune from Orillia, Ont., the following letter:

"When I first saw in print "Nira," a ombination of letters rapidly becoming famous, they had a strangely familiar look. It was some time before I could recall the association.

"About forty years ago, in the town of Pau, in the south of France, there lived a delightful old Scot named Hercules Ross. The elderly sportsmen of that place still remember him with affection. Incidentally, he was the captain—that is, supreme arbiter—of the Ladies' Golf Club, and it was laughingly said that he owed the position to the fact that he was extremely amiable and also very deaf.

"His early life had been spent as governor of a large district in India, but he was best known to fame as a champion rifle shot, having won medals at Bisley and elsewhere. Ross had one daughter, and her name was Nira, a name sufficiently uncommon to awaken curiosity, which was satisfied by her father's confession that he had named her after the North India Rifle Association."

THE average theatre-goer will be willing to second a vote of thanks to the Hippodrome Theatre in London, England, for introducing programmes that can be read in the dark. We understand though that it was a Frenchman who invented them.

Programmes that can be read in the dark are an improvement upon the device introduced into a large New York theatre a few years ago of having a small light on the back of each seat which would shine each time a button was pressed and give just enough light to enable a programme to be read without disturbance to everyone occupying a seat in the immediate neighborhood.

The "glogrammes" used in London are very simple. An oiled paper is used and the programme is printed in reverse, that is, the letterg is white against a black inked background. When the "glogramme" is held up in front of the eyes, the light from the stage shines through the lettering, making even small type clearly legible in the comparative darkness of the theatre.

THE venture of the radio broadcasting stations into the field of news dissemination has revived the old discussion about the perishability of news. One writer, in a popular magazine, has gone so far as to declare that radio stations are so well equipped to broadcast immediate eye witness reports of important events that newspapers will be unable to compete in spot news. He overlooks the simple fact that the average man does not go about his daily work with a portable radio set strapped to his back and his two ears tuned in on all the many conflicting newscasts. Occasionally he will sit down to enjoy an eye witness report of a boxing bout, or a big parade. In later years he may tune in his television set to see the performance while it is going on. But he still counts on his newspaper to give him the complete story not only of the event he tuned in on but of the hundreds of other interesting things that were happening in the world at the same moment.

No, it is hard to see how the radio is going to beat the newspaper at the business of supplying either spot news or interpretation of the news.

Appraising Mr. Bennett

Briefed from the Winnipeg Free Press (Liberal-Free Trade)

Mr. Bennett might have been one of Canada's greatest prime ministers. Nearly everything has been in his favor. So declares a correspondent of the Winnipeg Free Press, appraising the prime minister. He came to power at the right age, mature but not declining. A fine physique and expressive face are his. Endowed with mental powers above the average, he has assidously cultivated memory of good literature and eloquence in public speech. He knows the geographical and thought areas of the Dominion. He has taken an interest in public affairs, both nationally and internationally, and supported all good causes. Even his political apprenticeship has been progressively educative.

Mr. Bennett has had the capacity to toil terribly and he has always prepared in advance for coming opportunities. He earned money and saved money and his investments were timed to catch the crest of each succeeding wave of Canadian prosperity. Having given no hostages to fortune in the way of family, Mr. Bennett was able to devote undivided attention to business and self-culture. So attractive was his personality that a large share of his very large personal fortune came to him as a gift. Not that Mr. Bennett has been uniformly obsequious to the powers that be. He has occasionally shown an, independent spirit witness his castigation of Mr. Meighen over the railway situation in days gone by, and his more recent act of sublime imperviousness to criticism in appointing his future brother-in-law to the Washington ambassadorship. Who but a Westerner, asks the Free Press correspondent, from the ranges could so smoothly have corralled his two rivals in two separate pens, one in the High Commissionership in Old London, and the other in the leadership of the Senate in Ottawa?

For two years after assuming the leadership, Mr. Bennett was relatively free to cultivate his public. Repeatedly he toured Canada from coast to coast. When the election came, the depression was just beginning to be felt seriously and Mr. Bennett, profuse in promises, was returned to power with a huge majority. Political prophets said that this would be his undoing, but the Premier has been the unchallenged captain of the ship of state. His crew has responded to party discipline, which, if truth be told, is largely his personal discipline.

His challenge, two years ago, to the Imperial Conference in London—one had almost said his intimidation—was dramatic. His organization of the Imperial Conference in Ottawa last summer was a tour de force of physical strength, nervous energy and political daring.

To be able to stage the Imperial Conference in the second year of his premiership and, in addition, to dominate it with his own political theories. was rare good fortune and skilful political strategy of a unique order, ungrudgingly let it be admitted. Again, at the London Economic Conference this summer, this time upon a world stage, Mr. Bennett has received prominence and publicity which cannot be attributed solely to Canada's place in the Empire, but is in part a tribute to the personal force and fearlessness of Mr. Bennett. At home in Canada, even after three years of depression, he is admired, sadly and distantly it may be, but still respected for his high purpose and personal integrity.

Having so much in his favor, why has his premiership brought stark tragedy to Canada? Here is the cruel crux of the matter. With all Mr. Bennett's capacity, diligence, devotion and courage, he has in his head a wrong set of notions about trade. He can never have swapped a jack-knife as a school boy. He has a legal outlook. He has the ideas about business of a corporation solicitor and lacks the instincts of a trader. Never for an instant did he foresee that if he shut the foreigners' goods out, he would shut our own in. Commercially, the light that is in him is darkness, and how great is that darkness let tobagganing trade returns tell.

He does not see that great Canadian cities cannot support their populations without luxury trades. He casts to the winds century long British trading experience.

Mr. Bennett is free from all deception in the matter. He told us in advance. In his election campaign he frankly announced that he would keep out imports. Repeatedly, since coming into power, with clenched hands he has thundered, "We will keep out imports." He has proceeded to do so. At the Imperial Conference in Ottawa, he made little effort to conceal the fact that the Canadian Manufacturers' Association was calling the tune and he could not even meet with a delegation of farmers. The manufacturers were consulted at almost every turn.

When Mr. Bennett went to Washington to discuss reciprocal trade with the newly-elected Democratic President Roosevelt, on the surface it was one of the sharpest political corners ever turned by a Canadian premier, but all he had in mind was to put out another network of barbed wire entanglements in the way of customs regulations to discourage the natural exchange of goods.

And when, on his recent Sunday broadcast from the World Economic Conference in Old London, he blandly announced as the fourth essential, "the clearing of channels of international trade," coming from him and in the light of his economic nationalism and high tariff traditions, it was just too drooling.

Possessed of superlative drive and force, worthy of honor and affection though he is, Mr. Bennett is Canada's major political disappointment up to date. No future torrential eloquence of Mr. Bennett can alter the frigid fact that during his premiership, over one million and a quarter hitherto self-supporting Canadian have been on relief. It is forever in the records.

Sayings of the Week

"France is ready for war."—*Henry Morgenthau.*

* * *

"Every time I got hit I learned something."—*Jack Dempsey.*

* * *

"No human system is perfect but all are perfectible."—*Lord Macmillan.*

* * *

"A man who can hold his tongue can hold anything, even a bishopric." — *Dean Inge.*

* * *

"There is no doubt that Cuba is run 'cockeyed,' but what country aint?"—*Will Rogers.*

* * *

"We new Englanders like to keep ourselves to ourselves."—U. S. *Secretary of Labor Florence Perkins.*

* * *

"Depreciation of currency in our country has had unfortunate results."—*Hon. W. Downie Stewart, New Zealand.*

* * *

"Our problem is not one of production but of marketing."—*Hon. T. L. Kennedy, Minister of Agriculture, Ontario.*

* * *

"It is evidently to the world's benefit to watch the American experiment, not only closely, but sympathetically." —*Rt. Hon. Reginald McKenna.*

* * *

"Many a man could overcome his business troubles if he could see the difference between worrying and thinking."—*Herbert Casson, Canadian-born British Editor.*

* * *

"The day of individualism is passing out. Collectivism has come into our life and into our business structure." — *Grover Whalen, former police commissioner of New York.*

* * *

"In a dictatorship there are two classes; the dictators and the rest. The dictator dictates. He says 'I will do your thinking for you'." — *Morgan Jones, British Labor M.P.*

* * *

"What strikes me most about Soviet Russia today is that there are no bootleggers, racketeers, bandits or kidnappers."*William I. Sirovich, New York.*

* * *

"The politician who once had to learn how to flatter kings has now to learn how to fascinate, amuse, coax, humbug, frighten or otherwise strike the fancy of the electorate." — *George Bernard Shaw.*

* * *

"Most retail advertising is unbelievably dreary. Nobody wants to read it except the owners of the stores and the poor underpaid copywriters who wrote it."—*Kenneth Collins, New York advertising expert.*

* * *

"I do not see how anybody is going to discover the durable satisfactions of life without integrity of character. One of the most astonishing delusions of mankind today is the idea that happiness is associated with moral looseness."—*Rev. Harry Emerson Fosdick.*

* * *

"Mr. Roosevelt will fail unless he can raise wages and shorten hours to such a point as substantially to eliminate profits; and when he has done that he will be met with the necessity of expropriating private ownership." — *Sir Stafford Cripps, M.P.*

* * *

"At all times should the court be wary in superimposing its superficial knowledge of the affairs of a business in contradiction of the specific and detailed knowledge of those who constantly live with the corporation." — *Supreme Court Justice Peter Schmuck, New York.*

* * *

"Instead of a government of fixed, immutable forms, we must put our trust again in a government of human beings, who entrust with genuine power and leadership other human beings, and who, if those executives fail, displace them and choose others."— *Assistant U. S. Secretary of Agriculture Tugwell.*

* * *

"Success in commerce, trade, and industry is to the bold and courageous, to the man who can carry on in spite of every handicap, use his brains to find new markets and new outlets in old markets and new ways—advertising is not the least of them—to capture those fruits of industry which are so necessary in order that people who live by industry may find constant and profitable employment."—*Lord Derby.*

* * *

"The selfish motive must be always uppermost in business under the present system. The difference between success and failure at this time, as at all others, however, lies in the difference between far-sighted selfishness, which looks to permitting others to profit as well as oneself, as against that type of selfishness which looks for immediate gain without regard to its ultimate effect on others or on oneself." — *Percy S. Straus, president, R. H. Macy & Co., New York merchants.*

New Books

"Policies of German Utilities"

Under a scholarship from the Garton fund, H. E. Batson, a young British economist, has made a study of the price policies and the forms of regulation of public utility undertakings in Germany. The volume is highly technical but deals with the theoretical aspects of public utility control adequately and will have a value for all interested in public utility management.

"The Price Policies of German Public Utility Undertakings" is well illustrated with over 40 tables and over 50 diagrams. It is published by Oxford University Press, Toronto, at $3.75.

As Others See Us

The Economic Conference

Newcastle (N.B.) Union - Advocate. —In this issue, we reproduce an article by the editor of The Financial Post, on the so-called failure of the World Economic Conference. We notice that he says the conference was called by the League of Nations, and it was therefore a blow for that body.

The League of Nations, which should never have been set up, has received many blows, for instance, the war between Japan and China, of which the League of Nations condemned the Japanese. Japan replied very coldly and told the League of Nations what Japan intended to do and the whole Japanese delegation walked quietly from the room with their heads in the air. What good did the League of Nations do there, as the war continued on after their condemnation of the Japanese? Two little South American Republics flew at each others throats. The League of Nations was "perturbed." Brazil quietly took the warring nations and bumped their heads together and told them to quit their nonsense and that little war ceased.

The League of Nations is a body that the world could get along very well without. It must cost the British Empire a large amount of money, while some of the other nations are not paying their dues. It is commonly known that the French Government is the dominating factor behind the League of Nations. In our humble opinion, and we think it is shared by many others, that the League of Nations should be wiped off the map. It is not supported by the United States and it has done very little good to any of its subscribing nations. Therefore, let this cumbersome and costly body go.

In the meantime, much spade work should be done, and each mason try to put its own house in order. This may seem somewhat hard with several countries, but some approach to this should be attempted.

Other Peoples' Views

This Despotism Business

Regina Leader-Post: It looks as if the world were in sore need of a new birth of tolerance. The petty tyrants are becoming too numerous.

Tears, Idle Tears

Vancouver Province: The New York Stock Exchange was closed for the day by tear gas bombs. If tears could have done it, it would have been closed long ago.

Canada and Immigration

Saskatoon Star-Phoenix: Canada, we think, would like to encourage, once on a stable level of commodity prices is reached, the movement of people determined to make good Canadian citizens who are willing to throw their lot in with this country of such racial strains as can be assimilated. It is, of course, essential that they have for a start such financial backing as will ensure that they can at least keep themselves from the likelihood of becoming public charges given any reasonable chance. The human factor is, however, always an unknown quantity. There are all sorts of evidences of what may be termed unpromising material making very good and the most likely looking prospects becoming failures."

In the Mail

Borrow at Home

Editor, The Financial Post,

I am very glad to see you raising your voice against further external borrowings. We owe enough money outside of the country at the present time. We cannot keep on borrowing. It urges us to force exports, and that is difficult today because even the creditor seems to forget when the time comes that he must take goods if he wants to get his interest paid.

However, the main thing for consideration is that we should finance ourselves to the fullest extent of our capacity to do so, particularly when we have at the present time idle funds. These will, I am sure, be forcing lower interest rates. We have got to popularize our own government securities. They cannot pile up in the banks as they have been doing without creating an unsatisfactory situation.

Montreal,
Aug. 11, 1933. MANUFACTURER

"Stop Me If You Have Heard This One"

A small and very intelligent boy, being taken out for a walk on Hampstead Heath by his father on a Sunday morning, saw a notice reading—

Hampstead Corporation
Do Not Spit Here

The boy reflected deeply on this notice, and when he returned home he asked his mother: "Mummy, where do the Hampstead Corporation spit?"

Security Review

Frequent changes in business and financial conditions make a regular review of even the most carefully selected investment list advisable.

We are pleased to extend the facilities of our analytical department to those desiring service of this character.

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The purchase of bonds and stock certificates of the highest grade is a good investment. It is an investment in protection, and in the practical value of your securities reflecting the right impression of your company.

Quality engraving is the fundamental safeguard in a monetary document, because it is the most difficult to counterfeit. It is the product of years of experience and the finest of craftsmanship.

The Canadian Bank Note Company's reputation for the finest the engraving art affords was not born in a day, but in over a century of service to Canada's needs.

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Head Office and Works: OTTAWA
TORONTO—BRANCHES—MONTREAL

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is a company formed late in 1932 whose assets consist of cash and high grade securities (a list of securities held is available upon request).

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The directorate and management are compensated by a percentage fee of the net profits.

Ample provision has been made whereby the Special Shares may be redeemed at their approximate net asset value without penalty.

Subject to the control of the Board of Directors, the company is managed by Calvin Bullock. No investment company under Calvin Bullock management has ever failed to pay a regular quarterly dividend.

The Special Shares of Canadian Investment Fund, Ltd. provide a sound, convenient medium through which the Special shareholder participates in the stability and growth of industrial Canada.

The current offering price of the Special Shares is about $3.50 to yield approximately 5%.

We suggest you ask your investment banker or broker for details.

CALVIN BULLOCK, LTD.

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The Week in Business

Tariff Board Attacked

REPLY of the Canadian Tariff Board to British critics of the slow handling of applications for revision, which appeared in the British press, stressed the fact that requests for "briefs" from British firms to form a basis of the hearing had been ignored and therefore action was not possible. In a letter to the London Times, a correspondent attacks this alibi on the grounds that the questions asked were of such an intimate nature that it was impossible for British firms to comply. He states, in part, as follows:

"The fact is that the Board's questionnaires were such that no self-respecting British firm could give the inquisitorial information asked. Some questionnaires asked for particulars of all products used, quantities entering into composition, various detailed operations of manufacture, and the costs of the different operations. In other words, British manufacturers were asked to reveal methods and cost of manufacture in no way necessary to enable the Board to deal with the question of revision of the tariff; and to give such information would have been prejudicial in their interests as exporters and manufacturers. Small wonder that British producers came to the conclusion that the questionnaires were designed either to stifle applications or to obtain for the Canadian Board confidential information of production which a manufacturer ought not to be asked to supply."

* * *

Compares Nira to 18th Amendment

A RATHER novel comparison of the regulation of business under the National Industrial Recovery Act and national prohibition is made in the current monthly letter of the Cleveland Trust Co. by Col. Leonard P. Ayres, vice-president of that institution. It is specifically pointed out that both experiments rely entirely for success on the retention of support of the citizens of the country. That Nira will fail because citizens will lose interest in its working just as interest was lost in prohibition might be the inference drawn from Col. Ayres' remarks:

"Our great experiment in the national regulation of all business is getting under way at a time when our other great experiment of national prohibition is drawing to a close. Both were initiated in times of crisis. The earlier one had its inception during the period of deep patriotic emotion aroused by the Great War. The present attempt is rendered feasible by the generally co-operative response of the people to the recovery efforts of the administration. Both experiments involve governmental intervention into the intimate affairs of great numbers of individual citizens, and in both cases successful outcomes depend on retaining the sustained and united support of the mass of our citizens."

* * *

Tourists Help Business

TOURIST traffic has picked up sharply during the last two weeks, which has helped to extend further the gains in retail distribution, according to Dun & Bradstreet, Inc., current weekly trade report on Canadian business. General trade sentiment has not been changed by the lower prices for wheat and the certainty that the crop will be nearly 50 per cent under that of last year, as these are counterbalanced by the higher returns being received for subsidiary farm products, and the pronounced industrial employment.

Shipments of newsprint are becoming larger from week to week, and there has been no diminution in the output of textiles, shoes, cartons and boxes, cosmetics, and drug sundries, with employment in these industries increasing steadily. Rayon factories are working full time, with output increased nearly 40 per cent since the first of the year. Plants manufacturing ducks and awnings are working twenty-four hours a day because dealers' stocks are exhausted, while producers of bond and other fine papers are running full time and have raised wages.

* * *

East Coal Loadings Heavy

CAR loadings halted the decline of the previous two weeks in the week ended August 5 by gaining 644 cars, chiefly on higher loadings of coal, coke, lumber and merchandise. The total for the week at 37,775 cars was 2,540 cars greater than in the corresponding week a year ago. Heavy coal loadings in the eastern division was the chief contributor to the increase, the total of 3,873 cars being 903 cars over a year ago.

Saint John, N.B., Entices Danish Packing Interests

Saint John, N.B., Board of Trade is making a concerted effort to have Danish Packing plant interests, whose British market is jeopardized by Imperial preferences, establish branches in that city, according to the Saint John Telegraph-Journal.

Considerable benefits to farmers are envisioned if packing houses are established, as a large demand for hogs would be created.

Business Conditions in Canada

SEES IMPROVEMENT ACROSS PRAIRIES AS PRICES RISE

C. P. R. Letter Reports Successful Season For Fairs

Summer in the West brings the round of fairs and exhibitions. The great fairs of Brandon, Calgary, Edmonton, Saskatoon, the World's Grain Exhibition and Conference at Regina and others, have drawn thousands of visitors from within and without Canada to take part in the activities which form, in part, the display of the products of the West in grain, livestock, dairy products, vegetables and flowers, machinery and so on. The season of the fairs has been quite good, as the return of improving conditions has stimulated interest in the value of Western products and progress, according to the current monthly letter of the Canadian Pacific Railway.

During the past few months there has been a steady improvement in almost every line and a confident attitude toward the continuation of better business is shown on all sides. Undoubtedly, purchasing power is increasing, and it is a well-known fact that in the immediate future the replacement of all kinds of goods must be heavy. The increase in employment is noticeable, and, it is hoped, will continue to a point where one of the present Western difficulties will be removed.

Improvement in Lumber

Improvement has taken place in the lumber and shingle industry, many of the sawmills being reopened and some additional shingle mills being constructed. Coast pulp and paper mills are active and at Fort William and Port Arthur mills are reopening. Mining continues to be very active. The berry crop of British Columbia is over and other fruits and vegetables are moving. Crops may not be quite so heavy as at one time anticipated, but should be of increased monetary value. Manufacturing industries are employing more hands and increasing output to meet increasing demands.

An extension of the oil and gas territory of southern Alberta has been found in the bringing in of gas and oil bearing sands in a new district. Drilling operations have again commenced in southern British Columbia and Saskatchewan. The sodium sulphate and salt deposits of Manitoba and Saskatchewan are under consideration for further expansion, and more work in relation to the sodium sulphate and sodium carbonate of British Columbia is apparently to be undertaken. Interest, undoubtedly, is again being drawn to possibilities in the production of Western raw materials for manufacturing purposes, and a reasonable belief is evident that capital is again interested in many ways in the development of marketable materials.

Progress Being Made

Altogether, Western prospects are for steady improvement in trade and commerce, with some new industries and perhaps an upturn in the construction trade before winter sets in. Undoubtedly, progress is being made.

New Industries and Plant Extensions in Canada

Compiled Weekly
By The Financial Post

Kitchener Soap Works is the name of a new company which has commenced manufacturing in Kitchener. The main product will be a new type of cold water soap.

W. O. Winterhalt, formerly of the Wunder Furniture Co., Kitchener, heads a new company which will manufacture furniture in that city.

Pacific Dairies, Ltd., Saint John, N.B., plan to shortly expand their activities into the manufacture of condensed milk.

Shawinigan Falls, P.Q., is the location of a new shoe factory which will soon commence manufacture, employing about 150 persons.

Saint George Pulp and Paper Co., Saint George, N.B., has been taken over by the Port Royal Pulp and Paper Co. and Senator B. W. Page, of Maine, and manufacture of ground wood pulp will begin as soon as necessary repairs are completed.

Insulations, Ltd., will open a plant in Hamilton, Ont., for the manufacture of building materials and insulation products. The plant should be in production by the end of September, employing about 100 men, it is stated. J. C. K. Stuart is president and J. W. D. Greig, plant superintendent.

Martin & Nixon, a new company, has located in Hamilton and will manufacture truck bodies, especially of the refrigeration type, there. Mr. Martin, formerly of Cleveland, is head of the firm. About 10 men will be employed.

Says Financial Position Of Newfoundland Sound

British Trade Commissioner Shows Confidence in Future of the Island in Annual Survey of Economic Conditions Though Debt Burden Heavy

There need be no doubt as to the ultimate soundness of the financial position of Newfoundland as soon as an improvement in world economic conditions manifests itself, H. F. Gurney, British Trade Commissioner to Newfoundland states in a recently published survey of economic conditions on the Island to April, 1933. However, the immediate financial position is by no means an easy one, he adds.

Although expecting that conditions in Newfoundland during the next year would be no worse than in the past two, Mr. Gurney feels that the point has not yet been reached at which one can say confidently that conditions show definite signs of returning to normal. Success of the seal fishery and the general effort throughout the world to rehabilitate industry have, however, created a better feeling on the Island, he states, while the gallant efforts being made by the Government to bring its expenditures into line with its revenues are assisting to stimulate this feeling.

Fishing Troubles

Naturally, the codfishery comes in for extensive coverage in the report, it being pointed out that, while paper exports have greatly outstripped the products of the fisheries in recent years as far as value is concerned, the latter still continue to be the main source of revenue and employment for the islanders.

Mr. Gurney summarizes the salient features which have caused the losses in the fishing industry, as follows:

1. The consumers abroad of Newfoundland codfish are generally of the poorer classes and their purchasing power, during the past year, has been unusually low.
2. Sterling has depreciated, and the purchases in most importing countries are upon a sterling basis.
3. Unsatisfactory curing weather from July onward reduced the quality of the cure.
4. A larger percentage of the catch than usual, was represented by undersized fish.

The fact that a large proportion of the fish during the past season were undersized has resulted in smaller sales to European points and larger sales to the West Indies, where the poorest qualities are marketed and the prices are very low, it is stated.

Dealers Hold Stocks

At the date of the report, there were considerable quantities of fish held by large exporters who have been able to hold off the market in anticipation of higher prices: these merchants stand to gain this year, it is pointed out, owing to the appreciation of the pound in terms of Canadian dollars. Obviously, the fisherman does not stand to gain by this exchange appreciation except that he may be extended more generous credit in obtaining supplies for this year's fishery operations.

Prior to this year, the fact that operations at Grand Falls and Corner Brook were proceeding on a capacity basis was the most encouraging feature of the economic situation in Newfounland, Mr. Gurney states. However, this year, both these plants have cut their capacity down to 70 per cent and generally reduced wages.

Curtailment in steel operations in the chief manufacturing countries of the world was reflected in the operations at Wabana. These mines, which first of all provide the raw ore for the Dominion Steel and Coal Co. at Sydney, N.S., and export the balance to European countries, had the lowest production in 1932 for many years. Shipments in 1932 amounted to only 317,858 tons as compared with over 1,450,000 tons in 1930. The lead and zinc mines at Buchans, on the other hand, operated at capacity throughout the year and the increased base metal prices of the past few months have further added to their prospects.

Government Economies

Necessary curtailment of Government services which have occurred during the past year and reductions in all civil service salaries have further reduced the purchasing power of the populace, it is stated. When this is combined with the reduced wages and reduced earnings of members of all other industries, the net result will naturally limit imports. As almost all the Government revenue comes from duties on imports, the Government will naturally have to face a further reduction in revenue.

Despite the difficult business situation during the past few years, the majority of the St. John's merchants in all lines have fairly closely maintained their financial position, Mr. Gurney states. This, of course, has been done by effecting all possible economies. Reductions of wages, naturally, contributed largely to this. It is encouraging, Mr. Gurney feels, that the position has been maintained as well as it has been, however.

Huge Debt Burden

Close to $100,000,000 of public debt is the tremendous burden that has to be carried by a population of approximately a quarter of a million. The loans, represented by this debt, have been used largely for expenditure in connection with the Government railway, high roads, a new drydock and marine and locomotive shops at the St. John's dockyards and gratuities and pensions to returned soldiers and sailors; and also in recent years for meeting the interest on the public debt.

The interest on the public debt now amounts to about $5,000,000 a year, or about one-half of the expenditure budgeted in the current fiscal year, Mr. Gurney points out. He expresses the opinion that recommendations as to measures to be taken to meet debt interest obligations in the future, and repaying the loans when they fall due, is one of the most important tasks of the Royal Commission which recently completed a study of the financial position of the Dominion.

Quick Growth of Debt

The growth of this public debt burden is illustrated in the following table:

Year	Funded Public Debt $	Year	Funded Public Debt $
1919-20	43,033,036	1926-27	72,017,932
1920-21	49,033,067	1927-28	79,477,429
1921-22	53,030,027	1928-29	85,477,105
1922-23	54,957,756	1929-30	87,592,105
1923-24	60,456,966	1930-31	87,592,105
1924-25	64,517,998	1931-32	90,092,105
1925-26	67,018,495		

The above figures do not include temporary loans, as follows:

	$
From United Kingdom (1917)	1,946,666
From Canadian Banks (1931)	5,631,000
From Govts. of U. K. and Canada (1932)	1,250,000
	8,827,666

The total public debt therefore at December 31, 1932, was $98,919,771.

Commodity Prices

	Week ending Aug. 12	Previous week	Same week last yr.
Cattle (cwt.)§	$5.15	$5.25	$6.50
Copper, lb.	.09	.09	.05½
Cotton, lb.	.0920	.1005	.0735
Rubber, lb.	.0738	.0750	.0363
Sugar, raw, lb.	.0345	.0345	.0315
Silk, lb.	1.92½	1.92½	1.65
Wheat (Man.) bu.°	.82¼	.81¼	.57⅝
Hides, lb.	.15	.15	.06½
Coffee, lb.	.07¾	.07¾	.08⅛
Weekly Indices			
N. Y. Annalist‡	103.0	103.1	94.0
Fishers'	♦70.3	70.6	†62.0
N. Y. Journal of Comm.■	68.3	68.3	63.7
Crumps (Brit.)*	64.2	64.2	†62.4
U. S. Labor▲	69.2	69.2	....

†Average, 1932.
‡Week to Aug. 8.
*Week to Aug. 12.
▲Aug. 5.
♦Aug. 12.
§Aug. 10.
°Aug. 5.
■Aug. 11.

Monthly Indices

	Latest w'sale	Prev. month	Same month last year
Canada (D.B.S.) (June)	67.6	66.9	66.4
Retail (June)	77.7	77.6	81.0
U. S. Labor (June)	65.0	62.7	63.9
Gt. Brit. (May)	66.9	65.6	67.9

‡Basis of price quotations is as follows: cattle — steers, good, over 1,050 lbs., top price. Toronto; copper—electrolytic, New York; silk — Japanese, 13-15, New York; sugar—96 degree centrifugal c/f New York; wheat—No. 1 Man. North., Ft. W.-Pt. A. basis; hides—heavy native steers; coffee—Rio, No. 7, spot, New York

Canadian Business Indicators

Compiled by The Financial Post

	Weekly Latest 1933	Weekly Latest 1932	Cumulative Jan. 1 to date 1933	Cumulative Jan. 1 to date 1932
Transportation—				
Car loadings (Aug. 5)	37,775	35,235	1,095,072	1,262,194
C. P. R. gross earn. (Aug. 7)	$ 2,089,000	$ 1,993,000	$ 61,113,000	$ 67,487,000
C. N. R. gross earn. (Aug. 7)	$ 2,862,577	$ 2,719,571	$ 79,213,468	$ 89,819,799
Monthly				
C. P. R. net earn. (June)	$ 2,049,387	$ 1,578,616	$ 4,861,140	$ 5,251,879
C. N. R. net earn. (June)	$ 985,896	$ 735,914	$ ‡2,978,981	$ 620,369
Iron and Steel—				
Pig iron, tons (June)	857	8,163	36,210	77,201
Steel, tons (June)	31,602	18,118	130,464	180,488
Automobiles prod., No. (June)	7,323	7,112	38,262	39,669
Auto Vehicles—				
Passenger, sales, No. (May)	6,693	7,106	19,717	21,336
Trucks & buses, sales, No. (May)	846	1,038	2,224	3,699
Auto exports, No. (June)	2,299	802	8,714	3,119
Construction—				
Building permits (June)	$ 3,535,948	$ 5,028,324	$ 10,107,289	$ 24,341,044
Contracts (July)	$ 12,651,600	$ 12,540,100	$ 45,563,900	$ 87,301,300
Newsprint—				
Production, tons (June)	171,419	161,368	894,181	1,004,248
Exports, tons, (June)	152,151	155,895	807,237	933,446
Sugar—				
Imports, raw, lbs. (June)	81,453,200	56,324,800	254,749,900	325,126,100
Melt. & ship., lbs.*	57,248,316	97,203,618	336,521,967	379,758,469
Manufactured, lbs.*	57,332,368	92,583,064	337,290,934	366,383,597
Flour—				
Production, bbls (May)	1,334,101	1,040,693	5,056,380	4,781,163
Wheat flour exp., bbls. (June)	544,507	570,861	2,564,662	2,372,216
Other Industrial Indices—				
Lumbering: Plank & board exports, mill ft. (June)	94.70	110.68	242.48	407.95
Boots and shoes, pr. (June)	1,965,647	1,559,192	8,823,892	9,129,585
Petroleum, imp. crude, gal. (June)	121,120,617	113,948,377	263,266,395	450,977,992
Cotton, imp., raw, lbs. (June)	7,440,000	4,486,000	40,766,000	50,103,000
Rubber, raw, imp. lbs. (June)	3,228,000	6,349,000	16,078,876	26,671,659
Coal, imports, tons (June)	1,122,067	958,742	3,930,494	4,390,878
Gasoline sales (Apr.)	30,711,000	35,358,000	107,576,000	114,498,000
Trade—				
Imports (June)	$ 33,618,905	$ 40,743,105	$ 167,836,114	$ 242,047,511
Exports (June)	$ 45,967,773	$ 40,852,100	$ 206,098,937	$ 222,808,411
Wheat exports, bus., (June)	16,998,672	15,857,427	83,368,577	68,205,072
Labor—				
Employment Index (June)	80.7	89.1	......	......
Electric Power—Output—				
M. Kilowatt hours (June)	1,370,913	1,200,098	8,082,053	7,947,948
Finance—				
Failures, No. (Apr.)	184	190	806	857
Failures, Liabilities (Apr.)	$ 3,022,466	$ 3,170,679	$ 14,410,269	$ 14,279,102
Bank debits† (June)	$ 2,982,418	$ 2,202,785	$ 13,195,272	$ 12,536,993
Bond sales (June)	$ 90,253,692	$ 20,759,081	$ 128,830,417	$ 161,665,121
Insurance sales (June)	$ 32,398,000	$ 40,963,000	$ 178,118,000	$ 218,533,000
Automobile Financing—				
Used cars (May)	$ 1,633,742	$ 1,763,926	$ 4,670,841	$ 5,754,555
New cars (May)	$ 1,459,727	$ 2,023,586	$ 4,433,923	$ 6,031,731

*Four weeks period, June 24 to July 15. †(000's omitted). ‡Deficit.

DROUGHT AFFECTS PROBABLE YIELD OF SMALL FRUITS

Ontario and Quebec Areas Suffer Most

Prevailing conditions during July in the commercial fruit producing areas were generally quite favorable with the exception of Ontario and parts of Quebec where the prolonged drought and high temperatures have been reflected by light yields of small fruits and possible damage to tree fruits. In Nova Scotia, where growing conditions have been almost ideal, the apple crop promises to be the largest on record, while in British Columbia another large yield is anticipated. The Quebec apple crop has suffered somewhat but in New Brunswick the crop on the whole is quite promising.

The yield of tender fruits in Ontario has been adversely affected by lack of moisture with peaches and grapes indicating the greatest loss. In British Columbia hail storms have injured the crop to some extent, but no change has been reported as altering the crop prospects. Tomato production in Ontario will be considerably reduced owing to very poor set but cantaloupes are developing very fast, the season being considerably advanced by the warm weather prevailing over a considerable period. In British Columbia tomatoes and cantaloupes are making very favorable progress but some hail injury is in evidence.

European Crops

Vegetable crops in Ontario also have been seriously affected by drought, the early potato crop is very light, while beans, turnips and onions all indicate reductions in yield. The commercial potato producing areas of the Maritime provinces were favored with good growing conditions until the middle of July, since when dry weather prevailed. The crops in many sections of the Prairies have also been seriously affected by drought although recent rains in many sections have relieved the situation.

A cable received from the office of the Canadian Fruit Trade Commissioner in London states that German apple crop prospects are below normal, while pears are about the same as last year. In Norway the apple crop is expected to be less than last year especially the late varieties but a full crop of pears is anticipated. A very good crop of apples is expected in Sweden but pears are reported as average. Belgian apple crop prospects are below normal with pears about the same. In Switzerland apples are slightly better than last year, while pears are reported as slightly less. Apples are slightly better than average in Holland, but below normal in Austria, while pears in Austria are about the same as last year.

Business Briefs

Carloadings in the week ended August 5 amounted to 37,775 cars, 644 greater than in the previous week and 2,540 cars above the total for the corresponding week a year ago.

Gasoline sales during May amounted to 42,190,000 gallons compared with 30,711,000 gallons in the previous month and 47,307,000 gallons in May, 1932.

Wheat Exports in the week ended August 4 amounted to 3,887,958 bu. as compared with 2,713,925 bu. in the previous week and 2,342,514 bu. in the corresponding week of 1932.

Wheat Stocks at August 4 amounted to 195,944,810 bu., a small reduction from the previous week and compared with 121,202,700 bu. a year ago.

Coal Output in June amounted to 690,790 tons as compared with 749,000 tons in June a year ago.

P. E. I. Potato Growers Look For Good Returns

An excellent potato crop is being looked for in Prince Edward Island and growers are more optimistic owing to reports of the shortage of seed potatoes in other parts of the Dominion, reports from the Island state. At the annual meeting of the Potato Growers Association in Charlottetown, the secretary and manager stated that he had never been more enthusiastic over prospects for this fall. He stated that dealers were already wiring for quotations on steamer cargoes for late fall shipments.

In some sections the potato beetles are reported as being very numerous but inspectors state that there is an excellent stand in all districts. Some additional rainfall would be helpful in filling out the crop. A report dated July 31 states that potatoes and turnips are making a good showing with little injury reported from the potato bug so far.

HARDWARE PRICES MAKING ADVANCES

Summer Business Prolonged By Hot, Dry Weather

Advances in hardware commodities have been numerous in the last two weeks, and affect a wide variety of products. Paint brushes and other brushes have been advanced a second time on account of higher costs for bristles, metal ferrules, wood handles, etc. Rope prices have advanced because of higher fibre costs. Certain stoves and heaters are higher by 5 per cent. Cotton gloves and leather mitts and gloves are higher in price. Increased hide costs have raised the price of black leather harness parts. Sweat pads are quoted at increased prices. Rubber companies recently revised certain of their prices on mechanical rubber goods, including steam and water hose, belting, etc. Iron rivet prices have been raised and new discounts are quoted to retailers, states Hardware and Metal, Toronto. Among other hardware items on which higher prices have been issued are kraut cutters, copper bull rings, friction tape, pocket knives, chick feeds, lead traps, etc.

The fluctuations in grain prices, as affecting flaxseed, have brought about a reduction in linseed oil prices in the last two weeks. One type of glue has been reduced, and pine tar is lower. A new low priced gasoline lamp has been placed on the market.

Summer sales have been prolonged by the warm, dry weather experienced in Canada during June and July. Household lines for summer comfort and convenience have been in good demand. The anticipation of higher prices in some lines has brought in a good volume of fall booking business to date.

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DIVIDEND NOTICES

BANK OF MONTREAL

Established 1817

DIVIDEND No. 281

NOTICE is hereby given that a DIVIDEND of TWO DOLLARS per share upon the paid up Capital Stock of this Institution has been declared for the current quarter, payable on and after FRIDAY, the FIRST day of SEPTEMBER next, to Shareholders of record at close of business on 31st July, 1933.

By Order of the Board,

W. A. BOG, General Manager
JACKSON DODDS, General Manager

Montreal, 21st July, 1933.

The Canadian Bank of Commerce

Dividend No. 186

Notice is hereby given that a dividend of Two per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 31st August, 1933, and that the same will be payable (less five per cent Dominion of Canada tax in the case of non-residents of Canada) at the Bank and its Branches on and after Friday, 1st September next, to shareholders of record at the close of business on the 31st July, 1933. The Transfer Books will not be closed.

By Order of the Board,

S. H. LOGAN,
General Manager.

Toronto, 21st July, 1933.

The Bank of Toronto

Dividend No. 208

Notice is hereby given that a **Dividend** of **Two and One-Half** per cent. upon the Paid-up Capital Stock of this Bank has been declared for the current quarter, and the same will be payable at the Bank and its branches on and after the first day of September next, to shareholders of record on August fifteenth, 1933.

By Order of the Board.

H. B. HENWOOD,
General Manager.

Imperial Oil Limited

NOTICE OF DIVIDEND NO. 38

NOTICE is hereby given that a dividend of twelve and one-half cents (12½c) Canadian Currency per share has been declared and that the same will be payable on or after the 1st day of September, 1933, in respect to the shares specified in any Bearer Share Warrants of the Company of the 1929 issue upon presentation and delivery of Coupons No. 38 at any branch of:

THE ROYAL BANK OF CANADA, in Canada.

The payment to Shareholders of record at the close of business on the 15th day of August, 1933, and whose shares are represented by registered Certificates of the 1929 issue, will be made by cheque, mailed from the offices of the Company on the 31st day of August, 1933.

The transfer books will be closed from the 15th day of August to the 31st day of August, 1933, inclusive, and no Bearer Share Warrants will be "split" during that period.

The Income War Tax Act of the Dominion of Canada having been amended, effective April 1st, 1933, to provide that a tax of 5% shall be imposed and deducted at the source on all dividends payable by Canadian debtors to non-residents of Canada the above mentioned tax will be deducted from all dividend cheques mailed to non-resident shareholders and the Company's Bankers will deduct the 5% tax when paying coupons to or for account of non-resident shareholders. Ownership Certificates will be required by the paying Bankers in respect of all dividend coupons presented for payment by residents of Canada.

Stockholders resident in the United States are advised that a credit for the 5% Canadian tax withheld at source is allowable against the tax shown on their United States Federal income tax return. If it is desired to claim such credit on the return the United States tax authorities require the receipt or certificate of the Canadian Commissioner of Income Tax for such payment. In order for the taxpayer to secure such proof from the Canadian Commissioner it is necessary for the United States stockholder to submit, at the time of cashing his dividend coupon, an ownership certificate on Canadian form No. 601. Only in this way can the Canadian Commissioner identify the withheld Canadian tax with the specific recipient of the dividend in order to furnish the necessary individual receipt. If Forms No. 601 are not available at local United States banks, they can be secured by requesting the same from the Company's office or at any branch of The Royal Bank of Canada, in Canada.

By Order of the Board.

F. E. HOLBROOK,
Secretary.

56 Church Street,
Toronto, Ontario.

David et Frère Stock Listed on Curb

From Our Own Correspondent

MONTREAL.—Montreal Curb Market has listed 23,000 common Class "A" shares of no par value of David et Frere. The securities of this Montreal company, engaged in the manufacture of candy and biscuits, were offered to the public in 1928.

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IT IS A POOR BUSINESS newspaper that cannot give you one suggestion, one idea or inspiration of some sort from the recent experience of someone who has made a success of the idea.

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Are you doing your part by using your personal influence to promote the corrective and constructive policies advocated by the papers edited especially in your interests?

NOTICES

The Ontario Municipal Board

Notice is hereby given that the Board of Trustees of The Roman Catholic Separate Schools for the Township of Sandwich West as to School Section No. 8, has become subject to the provisions of Part VI of "The Ontario Municipal Board Act, 1932," by an Order of The Ontario Municipal Board bearing date the 23rd day of June, 1933, and from and after the first publication of this notice in the Ontario Gazette all actions or proceedings against the said Board are stayed and thereafter no action or other proceedings against the said Board shall be commenced or continued nor shall a levy be made under a Writ of Execution against it without leave of The Ontario Municipal Board.

Dated this 23rd day of June, A.D. 1933.

H. C. SMALL,
Secretary of The Ontario Municipal Board.

The Ontario Municipal Board

Notice is hereby given that the Municipality of Dysart has become subject to the provisions of Part VI of "The Ontario Municipal Board Act, 1932," by an order of the Ontario Municipal Board bearing date the 8th day of August, 1933, and from and after the first publication of this Notice in the "Ontario Gazette" all actions or proceedings against the said Municipality are stayed and thereafter no action or other proceeding against the said Municipality shall be commenced or continued nor shall a levy be made under a Writ or Execution against it without leave of the Ontario Municipal Board.

Dated this 8th day of August, A. D., 1933.

H. C. SMALL,
Secretary of the Ontario Municipal Board.

East Windsor Tax Receipts Much Improved to July 31

East Windsor has already collected 50.27 per cent of its 1933 tax levy, it is reported. This result is regarded as encouraging as only 43 per cent of the levy was collected in 1932, and the budget for 1933 was drawn up on expectation of only 43 per cent collection of the levy. This is considered to justify the East Windsor control board's expectation that lower tax rates would result in increased collections.

To July 31, $348,431 had been collected on the 1933 tax levy of $693,078.

Besides the collection of current taxes, the city has netted $126,150 since the beginning of the year to apply on arrears. The amount of arrears still outstanding is $609,154. This total is exclusive of arrears totalling $845,000 represented by property now vested in the city.

Brandram-Henderson Executives Resign Post

From Our Own Correspondent

MONTREAL. — Brandram-Henderson Ltd. announce the resignations of Owen Lobley, sales manager, and D. Currie, secretary-treasurer of the company. It is expected that an announcement will be made shortly as to their successors.

C. N. R. MAKES CASH OFFER C.N.E. ASSETS

Toronto Suburban Rail Debenture Holders Offered 25%

From Our Own Correspondent

Acceptance of 25 cents on the dollar by holders of the £540,000 of 4½ per cent debenture stock of Canadian National Electric Railways has been advised by the British Empire Trust Co., acting as trustee for the security holders and by a stockholders' committee. This offer, made by the Canadian National Railway Co., was considered by security holders at a meeting on Aug. 17, two years after the railway had discontinued operation of the 70-odd miles of radial line running between Toronto and Guelph, Ont. Interest due July 15, 1931, on the debenture stock was not paid by the Canadian National Railway Co., although interest had been paid up to that date since 1922 during the greater portion of which the line had been operated at a loss before deduction of fixed charges.

The offer to the debenture stock holders through the trustee was made by S. J. Hungerford, acting president of the railway, "without prejudice and subject to parliamentary approval." It provides for payment of £135,000 in sterling and payment of expenses to the extent of not more than $35,000. In return for this payment the Canadian National Railway Co. would receive all the property and assets securing the debenture stock, while legal action started by British debenture holders would be dropped.

Angry investors in England and Canada protested vigorously when interest was not paid on the debenture stock in 1931 and operations were discontinued. Assets were taken over by a receiver and the Canadian National Railway Co. disclaimed any guarantee of principal or interest, although the majority of investors had purchased the debenture stock in the belief that as a part of the Canadian National system there was a guarantee, or at least a definite moral obligation, on the part of the C.N.R. The question was raised before parliament on several occasions. In April, 1932, the Hon. R. J. Manion, Minister of Railways, stated in the House:

"The Government never had any interest in it. The road was a subsidiary of the Canadian National, but it was never guaranteed by the Government or by the Canadian National. The Government had no direct interest in it at all. The Government has finished with it unless these people who are making claims (holders of the 4½ per cent debenture stock) can show that they have legal rights to claim something that they have not obtained."

In 1919, says a report of the stockholders' committee, the Toronto Suburban Railway was included in the Canadian Northern Railway system, which latter, in 1922, was included in the Canadian National Railways system. In 1923 the Toronto Suburban was amalgamated with another railway under the name of Canadian National Electric Railways.

Failed to Earn Way

From 1922 onward the company showed substantial losses on operation before providing interest on the debenture stock. In respect to this condition, the trustee reports to the debenture holders "that the property cannot be successfully operated as a railway company."

The July 15, 1931, interest payment on the debentures was defaulted and the property was taken over by a receiver on August 15. Steps were taken to form a stockholders' committee under the chairmanship of John Davie, C.A.

Regard as "Moral" Claim

Many of the debenture holders felt that the Canadian National Ry. Co. and the Dominion of Canada as owners of these railways, had incurred a moral responsibility in respect of the debenture stock. This assumption was based on two reasons. First that the accounts of the Toronto Suburban Railway were incorporated with those of the Canadian National and that no separate financial statement had been issued to the debenture or stock holders. Secondly, because the Canadian National included the Toronto Suburban debenture stock in its "funded debt" in the annual financial statement. These reasons are said to have had the direct effect of "encouraging the debenture holders to regard their debentures as part of the obligations of the Canadian National Railways."

"Separately Operated Property"

Examination of the Canadian National Railway annual reports shows that the interest on debenture stock of the Toronto Suburban Railway was not regarded as a fixed charge due the public. In the statement for 1927 it is stated that interest on the debenture stock was charged to accounts No. 512 or 545. Account No. 512 is the profit on separately operated properties and Account No. 545 is the loss on separately operated properties.

Gives Three Alternatives

In recommending acceptance of the company's offer the trustee points out three alternatives:

First is to endeavor to establish a claim against the Canadian National Railways by legal action. This is not recommended, the trustee stating that it would not do so unless they were first fully indemnified by the stockholders against all expenses that might be incurred.

The second alternative is to instruct the receiver to foreclose the security and to realize the same to the best advantage. Having regard to the suggested settlement of the Canadian National, this alternative is not recommended.

Details of Security

The trustee points out that the security in the way of right-of-way, rails, stations, rolling stock, etc., would not realize as much as $115,000 at the best. Cash in hands of the trustee amounts to $56,000, while the company's holdings of Dominion of Canada securities amounts to $142,000, a total in all of $313,000. If this sum were realized (it could be realized only over a long period and would be subject to deduction of heavy expenses) the trustee would be able to pay only 11.83 per cent on each £100 of debentures to the holders.

The third alternative which meets with the approval of the trustee, is to accept the offer made by the Canadian National. This would realize a sum of £135,000 clear of all expenses compared with £63,877 which might be realized by a sale of the assets.

Provided that the proposal is accepted and payment is approved by Parliament, the Canadian National Railways in return for the payment of approximately $710,000 to the debenture holders will receive all the physical assets of the Toronto Suburban Railway, $56,000 in cash and Dominion securities to the value of $142,000. In other words, the C.N.R. will pay around $500,000 for the physical properties of the company and dispose of all possible claims.

OLD GOLD FIND REDISCOVERED AFTER 40 YEARS

Discovery by W. J. McDonough Brings to Light Early Effort of Author

The shades of the early mining efforts in the area north of Port Arthur Ontario have been disturbed by W. J. McDonough, who, prospecting in the area, has re-discovered a gold showing that apparently was recognized as promising nearly 40 years ago but which through the death of its first discoverer had been allowed to pass from the ken of man.

The re-discovery has brought to light that one of the present popular writers of the day, Alan Sullivan, was at that time a budding engineer, and had reported on the property.

McDonough had no lead to the discovery, but was struck by the fact that such an obvious showing had gone unnoticed until now. The area was densely overgrown with a second or third crop of timber and there was nothing to indicate that it had attracted attention before but to satisfy himself that it was open for staking McDonough searched the dark and dusty archives of the Port Arthur registry office and in there found that not only had the property been staked some 40 years before, but that the claims had been patented. In the meantime the staker had died and his next of kin were not to be found; furthermore the property had reverted to the crown as it had not been kept in good standing. Accompanying the staking records was a report signed by one Alan Sullivan. Who he was no one locally knew, certainly no one thought it was the well-known writer.

Struck by English Used

McDonough was struck by the excellent English used in the report and by the statement that the surface showing was some 500 feet long, which gave an average assay of $15 per ton in gold over a width of about three feet. Sullivan, however, recommended to his principals, who apparently were the financial sponsors of the enterprise, that it was too far from the railway—85 miles—to warrant further attention. The cost of getting in supplies was referred to as about $60 per ton. Apparently Alan Sullivan's report rang down the curtain on further expenditures because here the records end.

McDonough, accompanied by his geologist friend, John Drybrough, attacked the find with avidity and worked and wondered who this man Alan Sullivan might be. Certainly he had considerable ability as an engineer for the find was developing even better than Sullivan's report indicated. Returning to civilization recently McDonough started to investigate who the engineer with the gift for writing might be. In Toronto he established that Edward Alan Sullivan was a student of applied science at the University of Toronto in 1886-87, also that he spent some time in the mining areas of Northern Ontario, and that it was no less than our popular writer who had reported on the property, now 15 miles from the railway instead of 85 which adds to the attractiveness of the find.

This seems to indicate the possibility that if Alan Sullivan had stuck by his pick he might have won fame and fortune sooner than he did with his pen.

PAPERMAKERS IN U. S. SUBMIT SECOND CODE

(Continued from page 1)

of the Act provides that the President could take action to impose a duty, ban or otherwise limit or prohibit imports, if such were in sufficient quantity or on terms such as to nullify the provisions of the adopted code.

No Hurry Now

This section was all-important to the manufacturers in this country, as it meant that Canadian companies would have to adhere closely to the terms of the U. S. code if they were to maintain their position in the American market.

There was talk of forming an organization in Canada similar to the United States Newsprint Manufacturers' Association or to license exports so that the industry here would not be penalized through non-adherence to the American regulations.

Such action is not necessary at this time as the new code is bare of any reference to imports.

BREAD PRICES MAY RISE CENT COSTS HIGHER

(Continued from page 1)

dients in recent years are shown in the following table:

	U.S. Pound Loaf Cents	Can. 1½ lb. Loaf Cents
July, 1928	3.51	5.27
July, 1929	3.20	4.80
July, 1930	2.68	4.02
July, 1931	2.10	3.15
July, 1932	2.02	3.03
Feb. 1933	1.85	2.78
Mar. 1933	1.96	2.94
Apr. 1933	2.14	3.21
May. 1933	2.28	3.42
June, 1933	2.47	3.70
July, 1933	2.79	4.19

The Case for Consumer

It requires 4.6 bushels of wheat to make a barrel of flour and one barrel of flour can make 285 pounds of bread; in other words, one bushel of wheat produces 42.6 pounds of flour and this amount of flour enters into 62 pounds of bread. By this rule wheat would apparently have to rise 62 cents a bushel to cause a rise in bread of one cent a pound. Even though the rise in wheat falls far short of 62 cents the rise in price of other materials has aided wheat in increasing the price of bread materials by nearly one cent a pound at least.

The foregoing tables by the U. S. Department of Agriculture were made in connection with the reported intention of some United States bakers to raise bread prices 60 per cent. Administrators of the Agricultural Adjustment Act contended that such a large increase would be unreasonable, unfair and unnecessary. The administrators, George N. Peek and Charles J. Brand, contended that advance in wheat prices only added one-half cent to each pound loaf of bread, the processing tax another half cent and other ingredients less than one-quarter cent. They said that a price increase should therefore be little more than one cent for a pound loaf. They contended also that as bakers did not follow decline of wheat prices very rapidly with bread prices they should be slow in following the rise.

In Canada it is scarcely likely that there will be increases until small bakers raise their prices. Larger bakers favor the policy and would follow such a rise but they will not sacrifice volume which will be necessary even at higher prices to keep overhead costs low.

Curb Irresponsible Customer's Man Evil

Some Leading Canadian Brokers Think New York Stock Exchange on Right Track in Regulating Inciters to Speculation — Payment by Salary Suggested

New York Stock Exchange's new regulations to abate the evils of excessive speculation, of high pressure solicitation from brokerage houses and of manipulation tending to distort the fair market values of securities are received with considerable skepticism in Toronto and Montreal brokerage circles. "Looks fine on paper," commented one broker, who was inclined to think that legal ways would be found to get around regulations which represent counsels of perfection.

Members of the Toronto Stock Exchange were inclined to believe that the evil of insufficient margins had been prevented in Toronto mainly because of the adequate continuous audits which have been one of the strongest features of the Ontario stock market situation since early in 1929. Under this system auditors draw attention of brokers to insufficiently margined accounts and they are asked to correct the situation. Therefore even though severe market recessions in and since 1929, these audits have prevented the worst evils shown in New York.

Reacting to Squeals

One broker felt that the regulation requiring 50 per cent margins could be and would be circumvented in a legal way. He did not believe arbitrary regulations helped in the end. The whole success of the American people had in the ultimate analysis rested on their willingness individually and collectively to take a chance. He felt that Washington reacted altogether too quickly to squeals from people who took long chances on insufficient margins and cried out loudly that they had been gyped when they lost. The Exchange was apparently taking quick action in passing these regulations to head off Washington where too many legislators never did and never would understand the functions of a stock exchange. If they wanted to stop excessive speculation they were going the wrong way about it. They seemed to think speculation was only wrong when speculators lost. Losses would curb speculation quicker than anything else. Margins should be adequate but it was best to leave some elasticity to those who lent and borrowed or an exchange could not adequately fulfil its real mission. The reason was good in that constructive criticism rather than optimism was now directed toward Washington.

Getting After Customers' Man

Strangely enough, a representative of The Financial Post found few leading brokers who did not regard the customer's man regulations of the N. Y. Stock Exchange as greatly needed. Too many of these men in New York brokerage offices were paid according to the business they did. In some offices they were told in the morning what stocks to recommend and their job was to get as many people into the stocks as possible. They were paid of the commission received by the firm and naturally sales were important to them. If a customer bought one stock today and tomorrow had no money, the customer's man would often tell him to sell in order that there would be one more sale and money coming to himself.

A customer's man with a sense of responsibility toward the customer could do good work, but too often the most successful customer's man was one with no sense of responsibility to speak of but a decided "gift of the gab." In Canada some offices make great use of the customer's man. When a new customer enters certain boardrooms several dapper young men make their way toward him, the first arrival getting the customer.

So far as can be ascertained the customer's man is only paid a salary in Canada, which takes the edge off his urge to incite a customer to speculation, but whether or not there are additional inducements it is hard to say in all cases. The customer's man who gains a following can sometimes take quite a high hand and even sometimes quit one firm taking his customers with him. If he is paid according to the business brought in, a customer's man is only interested in putting through many transactions. He is paid in New York out of all proportion to the work he does. He gets 40 per cent of the commission obtained.

The regulation insisting that customers' men shall be employed on contract for six months at least and a minimum weekly wage of $60 in large cities sounds well, Canadian brokers believe. "But," as one said, "there are more ways of killing a cow than by kindness."

Banks have had a considerable measure of control of the margin situation in Canada recently. United States money does not appear to have come back in any volume. Canadians are lending a certain amount of money for margins but brokers are suspicious of very large amounts offering because the events of 1929 and later show that in time of trouble the private lender is very quick to withdraw his loan, thus accentuating the difficulties of a period of liquidation. In New York an attempt is being made to prevent this lending by others to as large an extent as possible. Some Canadian firms in Montreal found that this outside money made most of their difficulties last year.

AMULET MINE DRIVES DEAL WITH W-A-M

Consolidation Gives Amulet One-third Share in New Company

Shareholders of Waite-Ackerman-Montgomery Mines are in receipt of a notice of a special general meeting to be held Aug. 29 in Montreal, to approve of a consolidation of Amulet Mines with Waite; to increase the capitalization and to change the name to Waite-Amulet Mines Ltd.

The property of Amulet Mines is subject to a bond mortgage of $155,000 held by Noranda Mines. The trustee for the bondholders holds $51,927 received in settlement of a fire loss at the property last year, which is to be applied against the bonded indebtedness. Additional current liabilities total some $21,000.

The capitalization of Waite-Ackerman-Montgomery Mines, presently standing at 2,000,000 shares all issued, 81 per cent held by Noranda Mines, is to be increased to 3,000,000 shares of which 1,000,000 shares are to be issued for the Amulet property. These 1,000,000 shares are then to be distributed to Amulet shareholders on the basis of one Waite for each three Amulet shares held.

Amulet Needed $350,000

It became evident when base metal prices fell and stopped operations at the Amulet property that the best interests of the company could be served by allying itself with some strong company that could give financial sponsorship. A loan from Noranda was arranged to meet shut-down expenses as the Amulet property had only been in production a few months and had no opportunity to build up a reserve.

The present consolidation is viewed as a happy solution for the financial difficulties of the company. Two alternatives faced Amulet, either to merge with a strong company financially or to reorganize. The latter would mean a further dilution for the shareholders and providing for working capital in all not less than $350,000.

Amulet with its mill and Waite-Ackerman-Montgomery with a property and a strong liquid position, but no mill, offered an opportunity with the further advantage of the backing of Noranda Mines.

Roast Joins Executive of Canadian Bronze Co.

From Our Own Correspondent

MONTREAL. — Harold J. Roast, M.E.I.C., formerly associated with the Robert Mitchell Co. and well known consulting metallurgical chemist, has been appointed a senior executive of Canadian Bronze Co. with the title of Technical Advisor.

McColl-Frontenac Oil Make Change in Directors

From Our Own Correspondent

MONTREAL. — Changes in the board of directors are announced by McColl Frontenac Oil Co. J. B. Woodyatt and E. R. Parkins, K.C., of Montreal, have resigned from the board. These vacancies, together with an additional director, are filled by the following appointments: F. S. Griffiths, of Toronto; Hon. W. G. Mitchell, K.C., and Brig.-Gen. J. B. White, both of Montreal.

Melcher's Stock Listed

From Our Own Correspondent

MONTREAL.—Montreal Curb Market announce the listing of 100,000 Class "A" and 50,000 Class "B" common shares of no par value of Melcher's Distilleries Ltd.

Foreign Exchange

FOREIGN EXCHANGE

New York Funds

	High (Premium) %	Low (Premium) %	Last Year High (Premium) %	Last Year Low (Premium) %
Aug. 8	7 1-8	6 1-2	14 1-2	14 1-4
Aug. 9	6 1-2	6	15	14 1-4
Aug. 10	6 1-8	5 3-4	15 3-8	15
Aug. 11	6 3-8	6	15 1-8	14 3-4
Aug. 12	6 1-4	5 15-16	14 7-8	14 9-16
Aug. 14	6 3-8	6	15	14 7-8

STERLING, FRANCS AND LIRE

Close: Demand in New York

	Sterling	Francs	Lire
Gold par	$4.866	$0.03918	$0.526
Aug. 8	4.49	.0531	.0713
Aug. 9	4.49	.0531	.0713
Aug. 10	4.49 1-4	.0532	.0714
Aug. 11	4.49 1-4	.0531 1-2	.0713
Aug. 12	4.48 1-4	.0530 1-2	.0712 1-2
Aug. 14	4.45 1-2	.0527	.0708

Close: Demand in Toronto

	Sterling	Francs	Lire
Gold par	$4.866	$0.3918	$0.0526
Aug. 8	4.78	0.0566	0.0760
Aug. 9	4.76 1-2	0.0564	0.0757
Aug. 10	4.76 1-2	0.0563 1-2	0.0757
Aug. 11	4.76 3-4	0.0564	0.0757
Aug. 12	4.76	0.0563	0.0755
Aug. 14	4.71 3-4	0.0580 3-4	0.0749 3-4

	Reichsmarks	Belga	Yen
Gold par	$0.238	$0.139	$0.498
Aug. 8	0.3450	0.2018	0.2902
Aug. 9	0.3435	0.2012	0.2904
Aug. 10	0.3438	0.2014	0.2889
Aug. 11	0.3436	0.2014	0.2892
Aug. 12	0.3428	0.2006	0.2887
Aug. 14	0.3411	0.1993 1-2	0.2900

A Very Close Call

HAVE you ever escaped death by a fraction of a second when you thoughtlessly stepped almost directly into the path of a fast moving automobile? Or when you thought you were careful in crossing a street, has a car ever whirled around a corner, missing you by inches? That time you were lucky.

In this country, pedestrians are killed every day by moving cars and many are injured—some of them maimed for life.

Reckless drivers are directly responsible for part of this daily tragedy, but the majority of such accidents are the result of carelessness or thoughtlessness of pedestrians.

Although the safety training of children by some schools has helped to prevent many accidents, children are still being killed every day.

Even effective signals and alert traffic officers at crowded street corners are powerless to help the persons who step out from behind a parked car on a street or highway.

Your safety and the safety of every member of your family, when crossing a street or walking on a highway, depends on the development of a fixed habit which must become second nature: Make certain that the road is clear before you take a step.

Will you uphold the teachers who are training the children to watch for the "Go" and "Stop" signals—and will you obey traffic regulations provided for your own safety? Send for the Metropolitan's booklet "The Safe Walker's Memo Book." It tells of the constant dangers which threaten those on foot—how you and yours can be safe walkers. Address Booklet Dept. 8-F-33.

ARE YOU A SAFE WALKER?

To how many of these questions can you answer NO?

Do you:	NO	YES
1. *Step out carelessly from behind parked cars or obstructions?*	___	___
2. *Try to weave through traffic?*	___	___
3. *Cross streets diagonally?*	___	___
4. *Get off and on vehicles in moving traffic?*	___	___
5. *Cross streets without observing traffic?*	___	___
6. *Cross at intersections against the light?*	___	___
7. *Stand in the street?*	___	___
8. *Allow your child to play in the streets?*	___	___
9. *Walk with instead of against traffic on the road or highway?*	___	___
10. *Fail to use particular care at night?*	___	___

METROPOLITAN LIFE INSURANCE COMPANY

FREDERICK H. ECKER, PRESIDENT

CANADIAN HEAD OFFICE OTTAWA

SERVING CANADA SINCE 1872

Garry Gold Mines Offers Unsold "Rights" Shares

The unsold portion of the offering of 550,000 shares of Garry Gold Mines, made to shareholders of Granada Gold Mines, is offered to the public at the same price—15 cents per share. All the proceeds from this offering go into the treasury of the company without any commissions or deductions. Granada Gold Mines owns 1,000,000 shares as vendors of the property to Garry.

Rubber Belting new, guaranteed quality, 6" 4 ply at 18 cents per foot, 5" 4 ply at 15 cents per foot, 4" 4 ply at 12 cents per foot. Write for prices on endless Thresher Belts.

New Rubber Guaranteed Kant Kink Garden Hose ½ inch at 5 cents per foot.

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Your Investments

Letters from subscribers to The Financial Post, who desire information bearing on their Canadian investments, will be answered by an early mail, and questions of general interest will be answered on this page. We cannot extend this service to non-subscribers nor do we answer enquiries relating to American stocks or foreign securities generally. A three-cent stamp or stamped envelope must be enclosed. Write mining and insurance enquiries on sheets separate from other investment enquiries. No answers can be given by telephone or telegram. We do not select lists of securities but will supply current facts about securities in a list you may supply. Nor do we attempt to make any forecasts of the probable trend of any security. The service, in other words, is one of fact and not of opinion.

Auditor's Liability Determined by Contract

Manitoba Court of Appeal Rejects Assumptions That Major Object of Every Audit is Detection of Fraud and That Auditor is Substantially Insurer

The accounting profession in general and all companies which employ auditors in Canada must be interested acutely in the decision of the Court of Appeal of the Province of Manitoba, reversing the finding of Justice Donovan last year in the case of International Laboratories vs. Dewer et al. In that judgment Mr. Justice Donovan startled auditors throughout Canada by finding the auditor-defendants responsible for the full amount claimed on account of defalcations by an employee of the company on the ground that these could not have occurred if the auditors had shown proper diligence to discover and report the thefts. The money was stolen over 3½ years and the auditors were found liable for all but the thefts of the first fiscal year which could not be discovered before the year-end audit. If discovered then, however, further thefts would have been impossible, said Mr. Justice Donovan.

The investing public and companies at large are interested not so much in the individual and personal aspect of the decision that the defendants are considered by the judgment of the Court of Appeal to have performed the terms of their engagement fully and competently and to have left nothing undone which they undertook to do, important as this is to the principals in the case, as in the broader aspects of the case as it affects the liabilities of auditors generally in connection with their work. The Manitoba Court of Appeal gives a decision of wide interest when it rejects the assumptions in Justice Donovan's judgment that the major object of every audit is the detection of fraud and that an auditor is substantially an insurer.

Duty is Purely Contractual

The Court of Appeal gave judgment in this case on June 30, allowing the defendant's appeal and dismissing the plaintiff's action. In giving judgment the court unanimously held that the duty which an auditor owes to his client is purely contractual, and that, in order to succeed in an action brought against an auditor for damages, the plaintiff must establish a breach of contract and that such breach of contract was the proximate cause of the damage. In the language of Mr. Justice Robson: "It cannot be doubted that the measure of the responsibility of auditors depends on the terms of the employment in the particular case."

The Court of Appeal unanimously rejected the plaintiff's contentions as to what the contract between the parties was, and held that the defendants were employed under a special engagement evidenced by certain correspondence between the parties in the year 1924. This correspondence was started by the plaintiff with the object of reducing the cost of future audits by reducing the scope of the work to be done by the auditors, and the court finds that this correspondence resulted in an agreement for a limited audit under which the compensation of the defendants was reduced fifty per cent, and they were relieved of the duty of checking certain records which the plaintiff felt were sufficiently checked under its own system of internal check instituted during the preceding year. It should be noted that, if this system of internal check had not broken down, the thefts would have been discovered during the first year. The judgment of the Court of Appeal was that the defendants had performed all the duties undertaken by them under the terms of their limited engagement and had been guilty of no negligence, and that consequently the plaintiff's action wholly failed.

Auditors Did Not Cause Thefts

The court, having found in favor of the defendants on the facts and exonerated them from all charges of negligence, it became unnecessary for it to decide the questions of law which were raised on the argument. Mr. Justice Robson, who agrees with the majority of the court on the issue of negligence, however, held that, even though the negligence charged had been proved, the plaintiff's action would nevertheless have failed, because the damages claimed were too remote. He places this on two grounds, namely, first, that the parties could not be said to have contemplated the assumption by the defendants of the obligation sought to be imposed on them, which is the test laid down in the leading case of Hadley vs. Baxendale (1854), (9 Exch. 341, at p. 353); and, secondly, that no act or omission of the defendants was the proximate cause of the thefts by the plaintiff's accountant and the resulting loss to the plaintiff. On the question of the measure of damages in cases of this kind he makes a holding that is of great and far-reaching importance to the auditing profession generally. He says:

Exact Liability Defined

"I think, further, that, assuming there was here some obligation that should have brought about detection in 1927, 1928 or 1929, *the liability would extend only to such sums as the plaintiff was, by reason of non-communication by defendants, prevented from recovering either from Harris (the accountant), or more likely from the underwriters* . . . It was not a question of liability for loss from the employee's misconduct, but of what could be done to retrieve that loss. In this case I cannot see that there was any responsibility on the auditors as to the future honesty or dishonesty of Harris (the defalcating employee of the company)."

He says further:

"If, for instance, delay in discovery had been the cause of plaintiff's losing its rights of recovery from the underwriters or of preventing any possible recovery from Harris, defendants might, if negligent, have been responsible to that extent. But plaintiff evidently lost no rights against the underwriters by the delay, and it is not shown that in the delay they failed to reach any property of Harris.

"To repeat, I cannot see at all that it can be said that Harris' thefts after any of the audits can be said to be consequential in any way that the law can recognize, on the lack of detection of previous and distinct frauds.

"I think such a liability could never be involved in a professional relationship such as there was here. To impose it would, it seems to me, require clear and distinct terms."

Liability is Limited

To put it in other words, Mr. Justice Robson holds that the plaintiff's loss was caused by the thefts by its accountant: that these thefts could not be ascribed to any negligence on the part of the defendants: and that, in any event, the defendants would not be liable for the amount of the thefts as such, but only for such portion thereof as the plaintiff could have recovered from the accountant or his insurers if the thefts had been discovered and reported promptly by the auditors, but which the plaintiff lost the opportunity to recover owing to the delay in discovery and reporting. He absolutely rejects the suggestion that the failure of the auditors to discover a particular theft or thefts in 1927 was the proximate cause of the loss through thefts committed in subsequent years, and holds that the failure to discover thefts gives rise to liability on the part of an auditor only where (1) such failure to discover the theft resulted from a breach of contract, that is to say, where the auditor has entered into a contract requiring him to detect fraud, and (2) where such failure to discover and report the theft caused the plaintiff to lose an opportunity which he otherwise would have had to recover the amount of the loss from the thief or his insurers.

Dissented in Part

Mr. Justice Dennistoun dissented in part from the other four members of the court and was of the opinion that liability had been established in respect of one of the nine branches of the plaintiff's claim. In all other respects he agreed with the other members of the court. In view of this partial dissent it became necessary for him to decide what the measure of damages in a case of this kind is. Mr. Justice Donovan had held that failure to discover a particular theft in 1927 made the defendants liable for all subsequent thefts, no matter how perpetrated, on the theory that, had the first theft been discovered, the accountant would have been discharged and future thefts by him made impossible. Mr. Justice Dennistoun very definitely disagrees with this view. He holds that the defendants are liable only for such thefts as they were under a duty to discover and failed to discover, and that they are not liable for thefts which they were not under any duty to discover. To put it concretely, he held that failure to detect thefts of petty cash, which he found the defendants were under a duty to check, made them liable for such thefts of petty cash, but did not make them liable for thefts committed, whether during the same period or subsequently, through cheques which the accountant induced the officials of the plaintiff to sign in favor of a fictitious payee (an alias which he adopted), etc. The principle which he enunciates and applies, is that "the auditors in the case at bar are liable for the losses which fall within the four corners of their contract, and are not liable for the others."

To sum the matter up, the judgment of the Court of Appeal is that the charge of negligence against the defendants was unfounded; that the defendants have fully and competently performed the terms of their engagement and left nothing undone which they undertook to do, and that consequently the plaintiff's action wholly failed.

Enquiries

Simpson's Bonds

We would appreciate if you would give us information on bonds of Simpson's Ltd., 5½ per cent due 1949.

Simpson's Limited has outstanding $9,365,700 of 6 per cent series A first mortgage and collateral trust sinking fund gold bonds and $1,197,900 of 5½ per cent series B bonds. Its properties are leased to the Robert Simpson Company, operating company, and it is understood that the rentals on the properties thus leased are sufficient to look after the interest on these bonds. The interest therefore is an operating charge of the Robert Simpson Company and comes before the interest on the Robert Simpson Company's first mortgage gold bonds of $1,438,003 and the dividends on the $3,370,000 preference shares. All the common shares of the Robert Simpson Company are held by Simpson's Limited. Of course, it also holds the common shares of other subsidiary companies. In case of liquidation, however, the Robert Simpson Company first mortgage bonds and preference shares would come before the Simpson's, Ltd., bonds, as a charge against the property held by the Robert Simpson Company direct.

Net earnings in the 11 months ending December 31, 1932, of Simpson's Limited were $679,277 as compared with the 12 months preceding when $2,231,351 was earned. In 1931 there was a deduction of depreciation reserve of $626,526 but no depreciation was deducted in 1932. Bond interest amounted to $588,993, while the bond interest requirements of the Robert Simpson Company were $69,084 and the preferred dividends of the Robert Simpson Company $185,540. This left a net deficit of $176,313. In other words interest requirements in 1932 were barely covered before depreciation.

The company has had considerable losses in its mail order department, and the necessity of revaluing inventories during this period of continually dropping prices, has also had its effect.

In 1933 to date there has been a marked improvement in the situation, it is reported.

Massey-Harris

I would be glad to have your opinion on Massey-Harris as an investment, etc.

The possibilities of Massey-Harris securities from the investment point of view cannot be properly judged under present depressed conditions. That company has many millions of dollars outstanding in accounts receivable and many other millions of dollars of inventory on hand which have to be liquidated before it can get clear of its large banking and other indebtedness. So far it has managed to pay its bond interest, but its future will depend entirely on a recovery in agricultural conditions. When farmers recover purchasing power that will improve chances for farm implement companies. Not enough of the present improvement in commodity prices has yet worked back to the farmer to work the miracle.

Five Years' Earnings

Will you please give me net earnings per share on common stock of Agnew Surpass, Simon Cigar, Tamblyn's, Canadian Canners, Dominion Glass, Dominion Textiles, Goodyear Tire, Ogilvie Flour, for each of the past five years and state whether or not their earnings this year indicate improvement over last year. Also indicate their earnings per share preferred for 1932 or, if not available, for last year available. Do you know of any condition, aside from general business conditions, which might affect their earnings during the next few years?

Agnew Surpass Shoe Stores earned 24 cents per share on common stock in the year ended May 31, 1932; 97 cents in 1931; $1.43 in 1930 and $1.10 in 1929, in which year common stock of the company was offered. Preferred stock earned $8.78 per share in the year ended May 31, 1932. The annual report for the year ended May 31, 1933, should appear in August.

G. Tamblyn earned $3.57 per share of common stock in 1932; $5.08 in 1931; $4.53 in 1930; $4.91 in 1929 and $3.28 in 1928. Earnings on preferred in 1932 were $27.27 per share.

Ogilvie Flour Mills Co. earned $8.07 per common share in the year ended August 31, 1932; $8.20 in 1931; $13.17 in 1930; $29.89 in 1929 and $24.02 in 1928. Earnings amounted to $37.25 for each preferred share in the year ended August 31, 1932. The annual statement of the company will appear in October.

Dominion Glass Co. earned $3.53 per share on common stock in the year ended September 30, 1932; $4.53 in 1931; $7.64 in 1930; $9.93 in 1929 and $10.05 in 1928. Preferred shares earned $12.76 in the year ended September 30, 1932.

Dominion Textile Co. earned $1.80 per share of common stock in the year ended March 31, 1933; $4.44 in 1932; $5.06 in 1931; $6.06 in 1930 and $5.66 in 1929. Preferred shares earned $32.06 in year ended March 31, 1933.

H. Simon & Sons earned nothing on either preferred or common shares in the year ended December 31, 1932, and only 13 cents per share on common in 1931. In 1930 earnings were $2.51 per share; in 1929, $4.56 per share and in nine months of 1928, $3.96 per share.

Canadian Canners earned nothing on the common shares in the year ended February 28, 1933, and the year ended 1932. In 1931, 42 cents was earned; in 1930, 14 months, $4.45, and in 1928, 39 cents. In the last fiscal year the company earned $7.80 per share on first preferred stock and 8 cents per share on second preference stock.

Goodyear Tire and Rubber Co. of Canada earned $1.62 per share on common stock in the year ended December 31, 1932; $8.24 in the 15 months ended December 31, 1931; $8.02 in the year ended September 30, 1930, and $21.94 in the year ended September 30, 1929. In 1932 the company earned $9.89 per share on preferred stock.

Ford of Canada

I would like your opinion on Ford of Canada for a long pull.

Purchase of Ford of Canada common stock for the long pull would be made by one who has confidence in the company working out of the situation of the last two years. It is reasonable to suppose that when the public shows increased purchasing power both West and East there will be a large enough increase in sales of this company to prove of benefit to the shareholders.

The company's record with its old cars previous to 1928 was exceptional. After loss in two years when changing over to the new type of cars a profit was again shown but the depression cut this short.

In spite of the losses during the depression the company has still an extremely strong working capital position and this will help it and is helping it to take advantage of any improvement in the market. It has splendid engineering talent at its disposal, makes an excellent car and should get its share of the business. It has now better financed and stronger opposition in the cheap car field than ever before. However, its past record, its present affiliations both in Canada, the United States and Europe and its strongly liquid position make it a company to be reckoned with at all times.

Weston Biscuit

There has been considerable comment lately on Weston Biscuit Co. stock. The American company is reported as making money, but not paying any dividends, while the Canadian company is paying dividends.

Do you think it advisable to change stock held in the Amercian company to the Canadian company at this time?

In the absence of any financial statement or official announcement as to the progress of Weston Biscuit Co. Inc., it is impossible to estimate the progress made by this company during the past year. We were informed some months ago by officials of the company in Canada that earnings of this United States company were higher and in distinct contrast to the losses experienced in previous years. There is, however, no indication as to when a dividend will be paid on this stock and there is practically no market for the stock.

In exchanging stock of Weston Biscuit Co. for common shares of George Weston Ltd., there is immediate advantage to be gained in that dividends are being paid on the George Weston Ltd. common stock and the stock has a market. Retention of the shares in the American company would be a speculation as to its progress and so little information has been given out to date that it might almost be termed a gamble. The Canadian company will, of course, benefit by any profit made by its subsidiary in the United States and presumably at least a part of these profits would be passed on to shareholders. Why do you not ask the chief officials of George Weston for information as to affairs of both companies sufficient to enable you to decide this problem? You are certainly entitled to the information if you are a shareholder. Your acceptance of the offer would depend largely upon your willingness and financial ability to continue without dividends on your stock of the American company for an unstated period of time.

Tip Top Tailors

Will you please favor me with your opinion on Tip Top Tailors preferred from an investment standpoint and the security of dividends?

I would also like your opinion on stock of Humberstone Shoe Co. from a dividend standpoint and also on the outlook for appreciation over a long hold.

Tip Top Tailors Ltd., failed to earn anything toward payment of its preferred dividends in the year ended December 31, 1932, but ended the year with a good financial position and working capital of $990,537. During 1932 the company improved its cash position and made substantial savings in operating costs which will be of assistance in improving earnings of the next two or three years. Volume of business in the current year has been better but the company is operating on a narrow margin of profit. The fact that preferred dividends were resumed on July 3 after having been deferred for the previous quarter would seem to indicate that whenever and as long as business conditions warrant the preferred dividends will be paid. Continued payment of dividends, however, cannot be considered as definite until it is proved that business recovery and an increase in purchasing power in Canada is going to continue.

Humberstone Shoe Co. manufactures low priced lines of children's footwear and has increased its volume of production in the current year, although probably net profits in the year ended July 31, 1933, will not be greater than those shown in the preceding year when $2.93 was earned on each share of the 20,000 common shares outstanding. The company operates on a narrow margin of profit but since its incorporation in 1926, has more than earned its common dividend requirements each year. The extreme high for the stock was $37 per share attained in 1929. There are comparatively few shares outstanding and the stock has no great market following that might run the price of the shares up quickly.

Irving Oil

Can you supply us with information on present operations of the Irving Oil Co.?

Though gross earnings of Irving Oil Co., last year at $385,187, were somewhat less than in the preceding year, they were the second largest ever reported by the company for any one year. While distribution costs have increased this year, we are informed the company is getting a higher percentage of the total business offering than was the case in 1932.

The last major move of Irving Oil was to start operations in Prince Edward Island, where the company purchased the property of the Aiken Oil Co.

Storage tanks erected at Saint John in the past two years have increased capacity at that point to 1,750,000 gallons. Similar accommodation is provided at Halifax.

The number of service stations operated by the company throughout the Maritime Provinces has been kept up and with the return to more normal business conditions, it is expected that the company will continue with its expansion programme.

Rackets

Racket: "A trick, dodge, scheme, game, line of business or action."—Shorter Oxford English Dictionary.

THE Canadian citizen, like his cousin to the south of the international boundary, must arm himself in these days against a sea of troubles in the form of rackets devised and executed by the predatory, the unscrupulous and the greedy. Some of these are within the law and some without; some involve criminal activities and others seek success through playing on the credulity, vanity and desire for easy money so often found in otherwise excellent citizens. Still others play on the generosity, benevolence and desire for co-operation of many citizens. Others take toll of some industries because of their very necessities, promising protection or threatening sabotage where there is over-competition and thus claiming to keep up prices and to control contracts and tenders.

When reformers succeed in getting laws passed in advance of the ideas of any large element in the community, racketeers organize bootlegging, illicit drug-vending, smuggling, crime gangs, or political and legal rings to seek out weak spots in official integrity and to influence elections, intimidate and suborn witnesses, compel buying to go in certain channels, extort, kidnap, act like a department of war in buying rifles, revolvers, shotguns, machine guns, and in general act toward legitimate and worthwhile business as parasites, malignant germs and annoying insects do to the physical body.

Racketeers in Canada

It has been customary in Canada to plume ourselves on the fact that the more deadly form of racket has been conspicuous by its absence. There are no kidnappings reported daily in the Canadian press as in the United States press. True, Canadian citizens are lured on various faked missions to United States cities where they are despoiled unless they are very clever. Several have been taken for fatal "rides" when they have fallen foul of plans or profits of bootlegging or hi-jacking outfits south of the boundary. The gunman's forays into Canada have been sporadic, however, because he knows well that he is without the benefit of organized protection in Canada politically and judicially. Judges are appointed, not elected, a fundamental advantage to Canada when it comes to law enforcement, and police irregularities in most cities do not as a rule arrive at the dignity of a "system" or "organization" before they are exposed.

This is a time of great danger, however. War has been declared on the racketeer in the United States. Dislodged by the new laws from his profitable racket of selling spirituous liquors, the racketeers are beginning to spread like a plague of locusts over all business. Kidnapping, banditry, murder, intimidation, threats of labor difficulties, levies for "protection" are being taken on. Dispossessed of one racket the racketeers show infinite resource in developing new rackets. In this there is a danger to Canada. It is a time for vigilance and constant scrutiny of attempts by strangers to threaten, cajole, lure, protect, bribe or promise.

Some "Harmless" Rackets

Kidnappings and laundry rackets make the front page. But there are other rackets, more "everyday" in character that are socially harmful. There is the sale of tickets to fake charities, for example. Or the promotion of fake magazines and periodicals. Hundreds of such schemes take their toll from business men and investors.

Canadians may save themselves some money and more annoyance if they familiarize themselves with some of the ways in which money is wheedled, forced or abstracted by racketeers. Hence this column which will be a more or less regular feature of The Financial Post.

While attention will be paid to dangerous rackets details will be given as well of rackets which are neither illegal nor dangerous. All racketeers are not criminals, and all of them will not be so considered in this column.

What is a Racket?

The dictionary meaning will be held in mind in these articles rather than any meaning which individual citizens will give it. For instance, the new Oxford Dictionary defines "racket" as a slang word meaning "a trick, a dodge, a scheme, a line of business or action." The Century Dictionary speaks of this slang use as of very wide application to mean, "Something going on, whether noisily and openly or quietly a special proceeding, scheme, project or the like."

"To be on to a person's racket," The Century Dictionary says, is "to detect his secret aim or purpose." The Financial Post hopes in this column to help many Canadians to detect the secret aim or purpose of people who are trying to work rackets, whether political, business, social or pseudo-philanthropic.

We'll start with a very violent form of racket—kidnapping.

Kidnapping Grows

In the United States the violent racketeer has turned to kidnapping with a vigor and drive never before exhibited. The Federal Government is driving him from bootlegging and the speakeasies by making the sale of intoxicants legal. Under the National Recovery Act Washington proposes to fix prices, prevent overproduction and aid industries in coming to trade arrangements formerly held illegal and now claimed to be necessary. Hitherto business has been accomplishing these ends expensively and unsoundly with the aid of the gangster through terrorism and violence and with the aid of other racketeers who specialize in fomenting or calling off labor disturbances.

The racketeer, in seeking new fields to harvest, has evidently secured lists of all citizens in the United States with healthy bank balances. They probably as well make an inventory of children who are loved, executives who are essential to a business and all others who have a cash value to someone or some organization. The tragic fate of the Lindbergh baby and the universal horror it excited have only encouraged them. The fact that death has been made the penalty for kidnapping only makes the kidnappers more dangerous and readier to take extreme measures.

The kidnapper in Canada would get short shrift if caught but the penalty is not hanging as in the United States. Until the peril abates, wealthy Canadians visiting the United States, or having children or relatives there, should not consider themselves invulnerable. There may be only one chance in ten thousand but there is no use in making the chance one in 100 by rash conduct.

A Famous Kidnapping

Kidnapping is not a new racket in Canada. Hon. George Brown, owner and editor of "The Toronto Globe," was kidnapped some 55 years ago and taken to a cave—dark and built up with timbers—on the banks of the Don River. We are informed that the kidnappers in this case were thoroughly decent young men, members of the Toronto Field Battery. John Ross Robertson, who had started the Toronto Telegram shortly before with the aid of Goldwin Smith, made his first great hit in Toronto journalism by getting the story. Part of the timbers from the cave were displayed in the Telegram office.

But kidnapping, as practised today, is not for politics, patriotism, principle or love. The kidnapper wants money and apparently means all his threats. He is an especial danger to the wealthy. If not curbed in the United States, there is even talk that he may go after small business, kidnapping steadily and wholesale for a few hundreds of dollars each time from people who are only in comfortable circumstances. However, the fight is on; disrupted one place the racket may break out elsewhere. And even in Canada!

Mining Enquiries

Mining questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published on this page. We cannot extend this service to non-subscribers. A three-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write general investment and insurance enquiries on sheets separate from mining enquiries. No answers can be given by telephone or telegram.

Golden Summit

Would you kindly give me what information you can on Golden Summit Mines? I am told they are considering the construction of a 50-ton mill.

Golden Summit Mines is in the Kirkland Lake area, but several miles from the producing section. Development work has been conducted on the 125-ft. level with interesting results, but the ore developed to date would not be considered in conservative mining circles as justifying the installation of a mill. Until further development work is conducted, investment in the undertaking must be considered as a speculation and as such has all the potentialities and risks of a property that is undeveloped.

Howey Gold Mines

How do you regard Howey Gold Mines as an investment that offers possibilities for earning, justifying higher market prices for the shares? What can you tell me of the management and the outlook for ore reserves?

Howey Gold Mines has made remarkable progress in the last two years—since the present organization took over the direction of the property. The group behind the company comprises highly regarded mining men who have worked the company out of an indebtedness of $600,000 with the lowest grade ore mined in Canada, with a cost correspondingly low. Necessarily the margin of profit is low, but if a high price for gold continues Howey stands to profit to a greater extent than most gold mines. The company has a large tonnage of low grade ore indicated, enough to supply its requirements for immediately succeeding years. It also has a mill expansion programme near completion that will increase the capacity from 900 to about 1,400 tons daily. A large percentage of the company's earnings in the last few months has been due to the exchange compensation paid on gold, therefore, the future earnings of the company are largely dependent on the extent gold sells above the established price of $20.67 per ounce.

The president has promised to give consideration to dividends this year.

Vipond Consolidated Mines

What value can be attached to Vipond Consolidated Mines shares now that the property is supposed to be about worked out?

Vipond Consolidated Mines is apparently near depletion, according to official statements and the company has not been successful in finding new ore of importance. The company has a fair liquid position, principally in mining stocks. It enjoys good management, but it has not been the policy of those directing its affairs to disburse its holdings to shareholders. On the basis of earning power we can foresee no condition that would add value to the shares.

Hollinger

Do you consider Hollinger a safe buy at present prices?

Hollinger Consolidated Mines is more than earning its dividend even without the existing premium on gold production. The ore outlook seems reasonably reassuring for the immediately succeeding years, but at current prices the earnings cannot be considered adequate unless gold is maintained at near $30 per ounce. This is a factor that is affecting not only Hollinger, but all producing gold mines and what the trend of gold prices will be in the future, we are unable to say.

One must bear in mind in mining investments that a yield of ten per cent only gives a return of capital after 17½ years at this rate, plus interest at six per cent. Many investors look to appreciation in market value rather than to yield and inasmuch as the gold stocks have shown considerable appreciation, reflecting $30 gold, there is no sound basis for appraising the future trend.

McVittie Graham Mines

What security is offered for shares in McVittie-Graham Mines? What is its outlook for earnings and dividends?

McVittie-Graham Mines owns 56 per cent interest in the Veraguas mine, under development in the Republic of Panama and planned for production this fall. McVittie obtained this interest for financing the property, which was examined by John Reid, one of Canada's eminent engineers who pronounces it one of the most attractive showings that he has ever examined. Already some 400 feet of ore has been developed from the main adit level showing a width of 5½ ft. and averaging over $80 per ton in gold. The old property was worked about 300 years ago by the Spaniards from shallow surface trenches. The ore is rich and indications are most promising.

There are always difficulties inherent to mining in the tropics but these are not seen as insurmountable. F. M. Connell and associates, well-known Toronto mining interests, are behind the company.

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Wheat

From Our Grain Correspondent

Surplus Merely Postponed

THERE has been a tendency among observers of the world wheat situation to regard the short crop in the United States this year as a solution of the surplus problem as far as that country is concerned, but it is pointed out in an article by Winthrop W. Case in the current issue of the Annalist, New York, that this is not strictly correct. Undoubtedly, this year's short crop will reduce the surplus to a normal level but it will do nothing to eliminate the causes of the surplus. Loss of export markets and lower domestic consumption are given as the chief causes of the piling up of surplus between 1928 and 1932.

Reduction of output is the only solution apparent, the article states, as the prospects for resumption of export business are far from bright. In part, the Annalist states:

"A definite and considerable reduction of output, however, seems absolutely inescapable in the future. In the past it could come about only through the lowering of prices to a point that would force the retirement of a sufficient acreage. The price of such a process in the impoverishment not only of the marginal producers, but of the entire agricultural community, and the repercussions on business and the financial structure, need not be dwelt upon. We have seen it demonstrated in the last few years. The process would merely be more drawn out and more prostrating.

"In the face of such a price, the objective of the administration has much to commend it: the accomplishment of a readjustment that must in any case take place, in such a way as to localize the disturbance, leaving the country otherwise healthy and able to pay the cost. The practicability of the particular steps taken is another matter, regarding which one may well have doubts. But it is not to be forgotten that the only alternative to an "artificial" plan of some sort is a readjustment that will cripple the whole country for an indefinite period, with consequences of social change and disruption that are quite unpredictable."

* * *

Export Prospects Brighter

ARGENTINA'S official estimate of the remaining exportable surplus is bullish with only 34,000,000 bushels available for shipment, according to Broomhall, Liverpool. This means that weekly exports must not exceed 2,000,000 bushels. The situation in Australia is not entirely clear, but in any case weekly shipments cannot exceed 3,000,000 bushels until the new crop is moved next December, otherwise the country will be bare of wheat with new crop conditions not at all satisfactory for early growth.

If the Southern Hemisphere can furnish no more than four and a half million bushels a week for the remainder of the season then there is likely to be a call for larger quantities from Canada, Broomhall, states. Of course, Russia and the Balkan states may surprise the trade by making big shipments. Charterings so far have not been very large, four steamers only have been chartered for August from South Russia, but these may not all be for wheat. Broomhall states that the foreign demand for Manitobas revived when the market broke recently and believes that a good business may be worked around these levels.

* * *

Cotton Subsidy Strikes Snag

THE acreage reduction programme of the United States has struck an unexpected snag which prevents its being carried to a successful conclusion. When the time came to make payments to farmers who had plowed up cotton acreage in accordance with the plan of the Department of Agriculture, Treasury authorities brought out an old law, the importance of which had until then been overlooked, forbidding payments of money to be made to persons indebted to the Government until that indebtedness had been charged off against amounts due them.

Many millions are due to the treasury by farmers on account of seed and other loans, and anticipated payments were held up on this account. Wheat farmers have taken note of the fact, and unless the obstacle is cleared out of the way many of them who might have been willing to cut down acreage for a cash consideration will decline to do so when all they can get is a receipt for money previously owing to the Government.

SEARLE ESTIMATE 275,000,000 BU.

Crop Conditions at August 11 Well Below Year Ago

Canada's western wheat crop will be around 275,000,000 bushels according to an estimate made by the Searle Grain Co. based on crop reports from 810 correspondents throughout the three provinces. Revised acreage figures of the Dominion Bureau of Statistics are used in this estimate.

Compared with normal of 100 per cent, the average condition of the wheat crop at August 11 was 60 per cent in Alberta, 46 per cent in Saskatchewan and 61 per cent in Manitoba. A year ago at this date the condition percentages were: Alberta, 86; Saskatchewan, 72; and Manitoba, 87.

Frost damage is reported from 55 of 253 stations in Alberta, 64 of 422 stations in Saskatchewan and none of the 111 stations in Manitoba. Threshing will be general in Alberta in 27 days from August 11, in Saskatchewan in 16 days and in Manitoba in 10 days.

United Kingdom Takes Bulk of Increased Wheat Exports

Wheat exports in the crop year ended July 31 amounted to 240,136,568 bushels having a value of $134,221,386 as compared with 182,803,382 bushels worth $109,545,288 in the previous year.

Of the 1933 total, 156,461,736 bushels went to the United Kingdom as compared with 101,564,154 bushels in the previous crop year while the exports to other countries were slightly higher at 83,369,856 bushels compared with 76,765,935 bushels.

Grain and Milling in Canada

WHEATCARRYOVER OF U.S.A., CANADA BEARISH FACTORS

Market Has Discounted Poor Crops—Watches Other Lands

From Our Own Correspondent

WINNIPEG.—The bullish effect of crop reports released last week by the governments of Canada and the United States was not noticeable, for they were no worse than had previously been anticipated. Indeed the U. S. government estimate of a total wheat crop of 500,000,000 bushels was slightly higher than previously accepted private estimates. In western Canada a private estimate of a wheat crop of 275,000,000 bushels, low as it was, coming out concurrently with the government report, was still higher than some of the estimates previously in circulation.

But the carry-over figures for both countries were regarded as bearish, as in each instance they surpassed, although not by much, guesses previously made. Canadian figures revealed this country's total carry-over of wheat in all positions at 219,000,000 bushels, confirming the fact that last year's crop had been underestimated. The United States Government showed, as expected, that this year's carry-over was practically identical with last year's, but the estimate of last year's was revised upward by twenty million bushels to give a total of 285,000,000. Thus it was revealed that North America had been carrying, during the past year, some 40,000,000 bushels more wheat than previous estimates had accounted for.

World Conditions

At the same time both Australia and the Argentine are revealed as having considerable quantities of old wheat yet to dispose of, and this offsets for the moment unfavorable reports as to growing conditions in both those countries. Australia is indeed not quite so badly off as earlier reports had suggested might be the case, and drought conditions have been partly, but only partly relieved. The Argentine, on the other hand, which up until recently has been reporting conditions as entirely favorable to the wheat crop, is now complaining of unseasonable weather, while at the same time revealing a drop in wheat area of 1,000,000 acres, against previous reports that there would be no decrease.

British and Continental markets, now fully informed as to North American conditions, are paying a good deal of attention to developments in the Southern Hemisphere, with indications that a more bullish tone may develop if reports get worse. For the moment attention is largely occupied with the outcome of this year's European harvest. It is now definitely accepted the crop on the whole is large, but its quality is more doubtful.

Poor Quality

Rumania has produced much more wheat than last year, but it is stated that the quality is poor, and that it will not be fit for export. It is suggested that both France and Germany may desire to purchase some Canadian wheat, to add strength to their flour, if equivalent quantities of their own production can be disposed of.

China is buying very little foreign wheat at the moment, and good supplies of native wheat are keeping Chinese mills busy. The Chinese market, however, is a very difficult one to estimate in advance, and it is not customary to import much wheat at this season of the year. From Egypt come suggestions that wheat acreage may be cut down, and cotton acreage expanded, if the United States cotton acreage reduction scheme results in increased prices.

MILLING TRADE REPORTS GAINS CURRENT YEAR

Wheat Flour Exports Are Well Ahead in First Five Months

From Our Own Correspondent

MONTREAL—Despite the unsettlement in foreign currencies, flour milling operations in Canada during the first five months of 1933 were on a better scale than for the same period last year, while the volume of export trade shows an appreciable increase.

During May last the mills operated at 45.7 per cent of capacity—the highest rating given to the industry for that month in some time past. Production amounted to 1,334,101 bbls., an increase of nearly 320,000 bbls. over the previous month and roughly 300,000 bbls. greater than for May, 1932.

During the initial five months of the current year the Canadian mills manufactured 5,056,390 bbls. of wheat flour. This compares with 4,781,163 bbls. for the corresponding months last year.

Exports Move Ahead

Exports of wheat flour in May were practically double those of the preceding month and approximately 100,000 bbls. more than in May last year. The Dominion Bureau of Statistics reports that 565,080 bbls. were despatched out of the country in May, 1933, compared with 234,387 bbls. in April, 1933, and 461,867 bbls. in May, 1932.

Cumulative records show that between January and May this year the mills exported 2,020,155 bbls. During the same period last year exports aggregated 1,821,355 bbls., or 198,800 bbls. less than reported for the current period.

Returns also show that the mills have been turning out larger quantities of oatmeal, rolled oats and corn flour and meal, a factor which has enabled them to improve their operating and income position.

Parallel to 1929 Market Seen in Current Moves

Price Decline Needed to Bring Winnipeg Into Line With Export Market — Pegging at August 14 Level Seems Successful

From Our Own Correspondent

WINNIPEG.—Winnipeg grain exchange resorted to the expedient of pegging prices on Tuesday, trades being forbidden in futures at prices lower than those in effect at the close on Monday, August 14, or 70⅛ cents for October and 76⅜ cents for May. At the same time trading in bids and offers was suspended. This action was taken in view of the situation at Chicago.

Minimum prices have been in effect there for some time, with the result that trading came to a standstill for several days, with no one willing to pay the fixed price. Feeling the necessity of resuming trading, the exchange there had decided to remove the peg on Wednesday of this week, leaving in effect only the restriction of a movement of five cents a bushel per day one way or another. Anticipating a further drop in Chicago prices as soon as open trading should be restored, and expecting a sympathetic fall in Winnipeg, traders and dealers had made large sales in Winnipeg at the close of last week and on Monday, and to these had been attributed some of the decline which took place on those days.

Restriction Needed

Until the Chicago situation should be steadied need was felt for some restriction in Winnipeg. The exchange declared by resolution passed before the opening of the market on Tuesday, that its action was taken "in view of the abnormal conditions surrounding other grain markets and the effect that these conditions might have on this market to the detriment of the producer." Whether due to that action or not, there was a slight improvement in prices, with a substantial amount of export business coming into the market, and both trade on the floor, and country buying of wheat continued.

While this action draws attention to the bearish influences of the special situation existing at Chicago, it must not be overlooked that several distinct downward adjustments of Winnipeg prices had become necessary, after the market here had been forced up to levels entirely inconsistent with the maintenance of an export trade. The first downward step was required to enable any export business to be done, for while Great Britain and to some extent the Continent were willing to buy limited quantities of Canadian wheat at substantial premium over other countries, even that limit had been passed by Winnipeg quotations. The second was to enable a fair-sized, instead of a limited business to be done, because the small sales that could be made at large premiums were not enough to give strength to the market.

Decline in Sterling

A third step was required on account of the drop in sterling exchange from the highest points reached, a drop which while overlooked in a good deal of market comment would have been quite sufficient to account for a decline of some seven or eight cents a bushel. And lastly there has been an actual decline in sterling prices for all wheats. This was brought about by the ability of importers successfully to bridge the interval until new crop European wheat should be available, and the fact that wheat is now being offered to importing countries by both France and Germany, in addition to limited quantities from the Danube and from Russia.

It may be that the peg has been inserted at a point that will enable business to continue, but it would not seem, in view of all these factors, that a higher level would have been practicable. In the United States farm sales of wheat, while largely interfered with by the suspension of trading on the exchange, due to minimum prices, were not entirely stopped, and some sales to mills, against domestic flour sales, continued to be made. But should buyers refuse to pay the minimum prices set for futures on the Winnipeg market, it would at once stop the sale of wheat by farmers throughout the West, and it is doubtful whether such a situation could continue for many days without there being a demand for a resumption of trading, even if it made necessary the lowering of the price limits. With a good deal of threshing in progress in the country farm deliveries are increasing, although so far they have not yet reached a million bushels a day.

Wheat Conference Bearish

The approaching re-opening of the London wheat conference adds an element of weakness to the market. Buyers in importing countries will not make any more than minimum commitments, in order to be protected against any possible changes in tariffs, even though such may appear unlikely. The suggestions made by Secretary of Agriculture Wallace, of the United States, that his country might engage in subsidized export of wheat if an agreement is not reached with other countries, while they have not been taken very seriously, nevertheless constitute a strong argument for importers keeping out of the market as much as possible until the situation clears. They constitute a market influence perhaps fully as important as any technical disturbances on the Chicago Board of Trade.

Recent market history closely parallels that of 1929, when moved by the poor condition of the Canadian crop, prices on our market were kept for a long time far above export parity, although Government holdings, it is now believed, constitute a larger portion of the total than pool holding did then, leaving a narrower market to be affected by speculative enthusiasm than was then the case. At that time, as well as recently, there was a tendency for holders on this side to think that importers were missing the boat by refusing to buy at prices demanded by Canada, and to believe they must soon come to time. In each case a limited number of farmers, who had delayed selling their wheat, profited by the excess of speculative enthusiasm, and in each case a substantial interruption to the export flow of Canadian grain took place. Then, too, good European crops, assisted by remaining surpluses in the Southern Hemisphere, relieved importers from the dependence upon Canadian supplies that had been anticipated.

Outlook Brighter

But although our market fell precipitately in that August, it took a longer time to bring it into line with other markets, and attempted price pegging, in the way of Government guarantees for pool holdings, did not come into the picture for months.

In spite of the parallel there is some reason to hope that the market has recently been subjected to the maximum probable combination of unfavorable conditions.

July 31 Wheat Carryover Totals 219,000,000 Bushels

Stocks of wheat held in Canada at the end of the crop year were even higher than had been anticipated, the total of 211,740,188 bushels being almost 80 million bushels greater than at the same date a year ago. Inclusion of Canadian wheat afloat and in United States elevators brings the official carry-over figure to 219,428,398 bushels compared with 137,733,061 bushels at the end of the 1932 crop year.

Stocks of all other grains with the exception of flax are also higher than a year ago, oats showing the greatest increase, the bulk being held by farmers. Distribution of grain stocks throughout the Dominion is shown in the following table.

Stocks of Grain in Canada at the End of the Crop Year, July 31, 1933

	Wheat bu.	Oats bu.	Barley bu.	Flax bu.	Rye bu.
Public and private elevators.					
Ft William & Pt. Arthur	61,361,463	3,397,847	2,802,967	766,923	3,304,284
Mills and mill elev.	6,008,904	1,161,631	1,355,957	69,198	11,683
Interior terminal elev., western division	2,003,654	42,379	4,324	92	224
Vancouver—New Westminster elev.	9,351,581	627,593	501,164	1,116	117,898
Prince Rupert and Victoria elev.	2,947	......	......	......	......
Churchill, Man.	2,430,283	10,329	......	......	......
Country elev. and private terminals	71,846,187	5,194,155	2,203,384	157,745	902,451
In transit—railways	5,190,550	628,750	343,812	76,258	127,923
In flour mills—Eastern division	3,198,306	961,775	109,861	1,824	12,855
In eastern elevators	34,171,909	1,714,231	865,646	88,719	1,180,809
In east. elev. afloat	3,834,344	605,068	49,207	......	......
In farmers' hands	12,340,000	27,701,000	3,102,000	17,700	156,600
Total, 1933	211,740,188	42,044,758	11,338,322	1,179,575	5,814,727
1932	131,844,806	29,849,319	7,195,655	1,321,358	5,418,715

Winnipeg Grain Prices

Week to August 15

Crop year from Aug. 1, 1933 High	Crop year from Aug. 1, 1933 Low		Open Aug. 9	High for week	Low for week	Close Aug. 15
		Wheat				
.89¼	.67	October	.81	.83⅝	.67	.71½
.90⅞	.69	December	.83	.85½	.69	.73¼
.95	.73	May	.87¾	.90¼	.73	.78¼
		Oats				
.45	.37	October	.42¼	.43⅞	.37	.38⅝
.45⅜	.36¾	December	.42¼	.43¾	.36¾	.38⅜
.48½	.37⅞	May	.43½	.45½	.37⅞	.41¼
		Barley				
.55⅞	.41⅞	October	.51	.52⅞	.41⅞	.42⅛
.56⅞	.42¾	December	.52	.53¾	.42¾	.43½
.59¾	.45	May	.56⅝	.56⅞	.45	.46⅝
		Flax				
1.55	1.36	October	1.41½	1.52	1.36	1.37½
1.54	1.35¼	December	1.41½	1.52	1.35¼	1.37½
1.60	1.40¾	May	1.49	1.51	1 40¾	1.42½
		Rye				
.62¾	.45¼	October	.56¾	.59⅝	.45¼	.49
.64½	.47½	December	58¾	.61⅝	.47½	.51⅛
.68½	.51⅝	May	.63	.65⅛	.51⅝	.56¼

CENTRAL BANK PROPOSAL MADE TO COMMISSION

Prof. Carrothers, U.B.C., Opens Question in Bank Enquiry

CONTROL CURRENCY

M. D. Hamilton Presents Case for Banks — Municipalities Want Greater Advances

The first proposal of a Central Bank for Canada to be made before the Royal Commission on Banking and Currency was raised by Professor W. A. Carrothers, of the Economics Department of the University of British Columbia, at the first hearing held in Vancouver on August 15. Other evidence was given before the commission by J. D. McCormick, president of the British Columbia Lumber Manufacturers' Association; Alex. Mercer, vice-president of the Fraser Valley Milk Producers' Association, and A. L. Hager, of the canned salmon section of the Canadian Manufacturers' Association. Through its counsel, G. E. McCrossan, the City of Vancouver also presented a resolution.

Supports Central Bank

Professor Carrothers favored a central organization that would have sole control of currency issue, rediscounting of bills, Dominion and foreign; legal reserves, carrying of public accounts, carrying of balances abroad and which would be the sole medium for export and import of capital. He had no criticism of the commercial aspects of the present banking system which would be carried on unchanged under the central bank. The central organization, however, would make loans to the Dominion, provinces and municipalities, including such bodies as school boards, without regard to profit and solely from the standpoint of public welfare.

Members of the commission asked numerous questions regarding Professor Carrothers proposals. He agreed with Lord Macmillan, chairman of the commission, that Canada should have a united financial policy. He felt that the system of provinces had a merit from the political point of view that it lacked from the economic viewpoint. He believed that the central bank should be free from both political and private banking control but in the last analysis it must be amendable to the elected representatives of the people. It could be controlled, he suggested, by representatives of the main economic groups, together with experts on banking, Government finance and trade. Appointments would be made by the Government. Canada could supply men who could ultimately give prestige to the organization.

Alex. Mercer, vice-president of the Fraser Valley Milk Producers' Association believed that the cooperative might be suffering from a high cost of banking accommodation in comparison with competitors in foreign markets. The cooperative paid an interest rate of 6 per cent while individual producers paid about 8 per cent.

Asks Lower Interest Rates

The City of Vancouver presented a resolution to the commission which recommended that:

"Application be made to the Dominion Government for legislation to provide municipalities shall have similar facilities for advances on municipal securities from the Dominion Government for temporary financing as are now given to banks under the Finance Act."

The preamble of the resolution stated "The Dominion Government under Section 5 of the Finance Act is making advances of funds to Canadian chartered banks against municipal securities at an interest rate of 3 per cent, and a portion of these funds are in turn borrowed from the chartered banks by cities and municipalities at interest rates of from 5½ to 7 per cent. Further, the chartered banks are making a profit of from 2 to 4 per cent on approved provincial and municipal securities."

Mr. McCrossan stated the suggestion put forward by Vancouver, which also represented the opinion of other communities, might appear somewhat radical in the light of past practice, but he felt it was a matter the commission should consider. The privilege suggested would be limited, of course, to municipalities in sound condition.

Mr. McCrossan thought the suggestion made by Prof. W. A. Carrothers earlier in the day concerning establishment of a central banking organization would, in large measure, cover the Vancouver request.

First of the hearings of the Royal Commission on Banking and Currency to bring out sectional views was held in Victoria, B.C., on Aug. 14. Meeting in the capital of Canada's most western province, the Commission heard the brief of the provincial government at a morning session while the remarks of individuals were made at a session held in the afternoon.

The British Columbia Government put forward the belief that the banks should provide more credit for western enterprises. It was claimed that not sufficient credit was provided for the development of British Columbia industry in relation to deposits made within the province.

Want Lower Interest Rates

The government's brief stated, in connection with interest rates, "there is a feeling the financial interests which have undoubtedly acquired much wealth from British Columbia have taken undue advantage of the province's need for money during the present time of stress," and further asked, "Could a method be devised whereby the provinces generally could obtain money for certain essential purposes directly from the federal government, more advantageously than at present?"

Mayne D. Hamilton, of Vancouver, superintendent of Pacific Coast branches for the Canadian Bank of Commerce, presented the views of the Pacific Coast subsection of the Canadian Bankers' Association. He declared that there was only a small percentage of loans that were referred back to the head offices of the banks and that there was small delay in deciding on small loans. In reply to the British Columbia Government's view that the banks and financial institutions were the logical source from which capital could be obtained for the expansion of industry in the province, Mr. Hamilton stated that it is only possible for the banks to provide a portion of the working capital needed for such expansion and that fixed capital must come from other sources than the banks. Banking services, however, were usually made ready for large enterprises wherever they locate.

Banks Do Not Create Wealth

Lord Macmillan, chairman of the Commission, reiterated his views, expressed at the opening session in Ottawa, that a sound banking system, while of immense value to trade and commerce, is not itself productive. That while the banks could not create wealth they could aid industry to do so.

Reeve William Crouch, of Saanich, president of the B. C. Union of Municipalities, asked why the banks would not advance money to municipalities for unemployment purposes pending payments due by the Dominion and provincial governments. He complained that while everything else had gone down in cost, bank rates had risen. Mr. Hamilton stated that the banks had made advances except where some local condition made such action inadvisable.

Western Coke Output Higher

The coke production of the four western provinces in June amounted to 13,299 tons, a considerable increase over the 10,805 tons recorded for the same month last year. The production for the year to date is still slightly behind that of the similar six months of 1932, being 79,746 tons as against 82,407 tons in 1932.

July Newsprint Output Records Substantial Gain

Production is Well Ahead of Last Year's Figure — American Mills More Active—Cumulative Returns Catching Up With Last Year's Mark

From Our Own Correspondent

MONTREAL.—Increased newsprint mill operations since the turn of the half year are reflected in larger production figures for July. During that month production amounted to 180,387 tons, an increase of 10,000 tons over the previous month and approximately 38,000 tons more than for the same month last year.

This showing is all the more encouraging in view of the fact that July and August are normally dull periods, with production picking up in September and October following the increase in advertising in anticipation of the Christmas and New Year's trade.

The fact that newsprint production did not fall off in July this year is to be attributed to the stimulus in American business brought about by the Federal Government's attempt to stimulate trade through the operation of the National Industrial Recovery Act. The banking holiday last February damned up buying power so that the normal easing off in buying power during the summer months did not reach a low point in July as it would have under other circumstances.

Shipments Exceed Output

Shipments of Canadian newsprint have kept pace and even exceeded the advance in production. Exports for July totalled 181.658 tons, or slightly in excess of 1,000 tons better than production. This compared with 145,431 tons in July last year, an increase of 36,227 tons or 24.9 per cent. Shipments from United States mills were 82,068 tons a gain of 5,211 tons, or 6.7 per cent over shipments of 76,857 tons in July last year. Shipments from mills in both countries in July were 263,726 tons aaginst 222,288 tons in July last year, a gain of 41,438 tons or 18.6 per cent.

Mill stocks in the United States and Canada on August 1 were 61,341 tons against 65,198 tons on July 1 and 80,386 tons on August 1, last year.

Cutting Down Decrease

Newsprint production in Canada in the first seven months of 1933 was 1,074,874 tons compared with 1,142,558 tons in like period last year. In United States in same period production was 535,984 tons against 621,125 tons in same period last year. Total production in both countries in seven months ended July 31 was 1,610,858 tons vs 1,763,683 tons last year.

Shipments from Canadian mills in seven months were 1,074,788 tons against 1,146,393 tons last year, and shipments from United States mills during period were 540,357 tons against 620,311 tons last year, making total shipments from both countries 1,615,145 tons on the first seven months of this year, against 1,766,604 tons last year.

Price Bros. Step Up Newsprint Output

From Our Own Correspondent

MONTREAL.—Though the Riverbend plant of Price Bros. & Co. is inoperative, the Kenogami plant has stepped up production to a point where output currently is in the neighborhood of 60 per cent of all capacity. The Kenogami unit has an official rating of 570 tons daily, but this figure has been exceeded by as much as 50 tons in recent operating days.

Lumbering operations of Price Bros. have been on a more favorable basis lately. Several good orders have been received and it is expected that deliveries for 1933 will aggregate substantially the same, or possibly more, than in 1932.

Operations continue under the direction of the receiver, while the bondholders' protective committee is studying plans of reorganization for the enterprise.

Half-year's Record

From Our Own Correspondent

MONTREAL.—Consumption of newsprint paper by 422 American publishers, while showing a more encouraging trend in the last three months, was less in the first half of 1933 than in the corresponding months of 1932.

Between January and June this year the 422 publishers reported a consumption of 790,839 tons of newsprint. This compares with 889,145 tons for the first half of last year. The returns further show that the average monthly consumption this year totalled 131,806 tons compared with 148,191 tons for the same period in 1932.

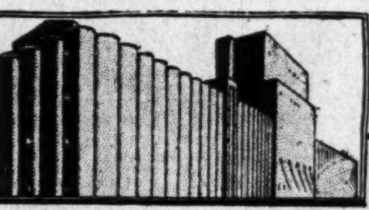
Consumption of newsprint this year was affected adversely by the banking moratorium declared earlier in the year. This resulted in a material decline in advertising space which in turn reduced the quantity of newsprint paper needed. Had this banking holiday not occurred (in February) the returns of the publishers would have indicated a consumption approximating that reported last year.

Present Demand Better

At present the demand for newsprint, both from the United States and Canadian mills, is on a stronger basis than at this time last year. This is due in large part to the efforts of the Federal Government to bring about industrial recovery. The volume of advertising has moved forward appreciably resulting in an increase in the size of newspapers.

Details of the consumption of newsprint in tons as reported by the 422 American publishers in the first six months of 1933 and 1932 follow:

	1933	1932
January	127,446	151,181
February	116,307	142,883
March	123,402	156,205
April	132,032	148,351
May	160,773	152,321
June	130,879	138,204
Half-year	790,839	889,145
Average per month	131,806	148,191



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375 Country Elevators
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We Own and Operate 130 Country Elevators in
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THE CANADIAN CONSOLIDATED GRAIN
COMPANY, LIMITED
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RELIANCE
GRAIN COMPANY LIMITED
Owners and Operators Country Elevators and Terminals
Exporters and Shippers
New York:
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Branch Offices: Toronto and Vancouver

N. BAWLF GRAIN CO. LTD.
ESTABLISHED 1881
HEAD OFFICE — WINNIPEG, MAN.
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Owning and operating 150 country elevators and
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WESTERN GRAIN COMPANY LIMITED
Country Elevators Serving the Producers
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WESTERN TERMINAL ELEVATOR, FORT WILLIAM
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Insurance for Buyer and Seller

30 UNDERWRITERS PASS FINAL EXAM. FOR C. L. U. DEGREE

Three Year Course Required To Qualify For Degree

Thirty insurance underwriters have successfully passed the third and final examination of the Life Underwriters' Association of Canada and are now entitled to use the designation C.L.U. after their names. The 1933 examinations were held last May. In connection with these examinations, comprehensive extension courses are now conducted by the Institute of Chartered Life Insurance Underwriters through the Department of University Extension, University of Toronto.

Subjects covered by the extension courses and the examinations include the fundamentals and practice of life insurance, life insurance law, life underwriting, salesmanship, psychology, economics and business English. To successfully pass the examination on life underwriting the candidate must have a thorough knowledge of certain phases of business law and practice in order to properly serve his client in the field of business insurance. He is also required to have knowledge of the succession duties act of his province and some knowledge of law and practice as related to the administration to the state. The period of study extends over three years and is covered by three examinations written in successive years.

Successful Candidates

Those who passed the final examinations held in May this year are as follows:

British Columbia—

Samuel L. Coop, Confederation Life, New Westminster.
Reuben S. Whaley, Confederation Life, Vancouver.
Herbert W. N. Moorhouse, Confederation Life, Victoria.

Alberta—

Joseph A. Mather, Dominion Life, Calgary.
Wm. S. Robertson, Sun Life, Calgary.

Saskatchewan—

Alfred E. Davey, Great West Life, Moose Jaw.
John C. Fernihough, Great West Life, Moose Jaw.
Archibald H. Mitchell, Sun Life, Regina.
John L. O'Connor, Manufacturers Life, Regina.
Stanley G. Thomson, Sun Life, Regina.
Harold Whittaker, Mutual Life, Saskatoon.

Manitoba—

Ian B. Croll, Manufacturers Life, Winnipeg.
Mrs. Una C. Taylor, Sun Life, Winnipeg.

Ontario—

C. Gordon L. Reid, London Life, Kitchener.
Harold Weir, Sun Life, Listowel.
Charles T. Tuck, Confederation Life, Ottawa.
Edmund B. Code, Manufacturers Life, Perth.
Finlay A. Ross, Manufacturers Life, Port Arthur.
Arthur V. Samson, Canada Life, Sault Ste. Marie.
John Jory, London Life, St. Catharines.
Chester D. Bell, Travelers, Toronto.
John W. Thompson, London, Life, Toronto.
James A. Howie, London Life, Windsor.
Mrs. Elizabeth A. Van Stone, Sun Life, Wingham.

Quebec—

Brandon H. Bryers, Canada Life, Montreal.
Grant M. Burn, Prudential, Montreal.
George F. French, London Life, Montreal.
Paul Fugere, North American Life, Quebec.
Harold A. Peabody, Canada Life, Sherbrooke.

Nova Scotia—

Clifford L. Martin, Sun Life, Amherst.

HEAVY HAIL LOSS APPEARS ASSURED

August Storm Resulted in Many Claims on Insurance

It begins to look as though hail insurance business this year would result in a loss to the companies engaged. Up to the middle of August, losses have been considerably greater than last year, The Financial Post learns, and there is still about a month in which claims on this year's crop may be made.

One company which does a large hail insurance business told The Financial Post that the storm on August 6 and 7 just about wiped out their chances of a profit. Up until that time, the losses were about the same as a year ago when an excellent showing was made.

Insurance Inklings

CHARLES J. HADRILL, formerly on the staff of the Canadian Fire Underwriters' Association in Montreal, died on Aug. 7.

HUGH F. MURRAY has been appointed manager of the Ottawa branch of the National Life Assurance Co.

ALFRED E. GARWOOD, formerly of Sarnia, has been appointed superintendent of the Toronto-Dufferin agency of the London Life Inurance Co.

J. W. MACKENZIE, general manager for Canada of the Preferred Accident Insurance Co. of N. Y., died on August 1. Mr. Mackenzie was a Canadian, having been born in Halifax, N.S., 52 years ago.

Stock Purchase Plan Prevents Bankruptcy

Partner's Wife May Become Active Partner On Her Husband's Death — Results Usually Chaotic—Insurance Agreement is Solution

By R. M. HAULTAIN
London Life Insurance Co.

The Tomfred Distributing Co., Ltd., went into bankruptcy because Tom and his partner, Fred, had no agreement between them to buy each other's interest if one died.

At the time of Fred's death the net worth of the business was $44,000. Each had an equal interest of $22,000.

Fred's wife, after his death, felt that as she had had office experience before she married, she had better take Fred's place in the business, look after her interest, draw his salary and see that she got half the profits. This she was quite entitled to do. She would not accept Tom's offer to buy her interest for $5,000 cash and $17,000 over 17 years. This was the best offer Tom could make at the time.

Wife Moves In

She fixed up an office at the warehouse as a play nursery for her children during the daytime, and moved in.

For 12 years Tom had sold to manufacturing plants and Fred had sold to the hardware trade. Fred had been proud of the fact that he knew every hardware man in his territory by his first name.

Fred's wife stepped out bravely to follow his footsteps, but there was a lot to learn about the business and the individual peculiarities of each customer. Three years work produced only about a quarter of Fred's old volume of business which was not enough, and the Tomfred Distributing Co., Ltd., failed. Restriction of credit was a big factor in the failure.

Tom borrowed $7,000 from his wife, $3,000 on his life insurance, and started afresh with his friend, Harry, who was a hardware salesman. They put up $10,000 each, formed the Tomharry Distributing Co., Ltd., and took over the same agencies that Tom had in the old business. Each held the same amount of stock in the new company.

Draw Agreement

Tom's financial adviser urged him to profit by experience, and to make sure that he and Harry had a formal, properly drawn agreement between them to buy each other's interest, for cash, in the event of death of either partner. The survivor would then own the business outright instead of finding that the other man's wife was his partner with equal voice. The financial man told him that the recognized instrument for financing these agreements was a policy of life insurance on the life of each partner, and that he would be well advised to discuss the mechanism of the arrangement with a life insurance man.

Tom did, as he was taking no chances this time on being pitchforked into a situation where he would have to go through the same performance again in business with Harry's wife.

Premium Payments

Harry was quite open to have an agreement that they should buy out each other's interest in the event of death, but as he had not had Tom's experience, it took him some time to see that the only practical method of financing the agreement was to set aside about 3 per cent of the capital sum involved each year on a life insurance contract that would deliver the cash in full at the required moment. Tom insisted, however, and the following arrangement was worked out:

A life insurance policy covering each man's interest, i.e., $10,000, was issued on each man's life.

An agreement was outlined covering the following points:

Clause No. 1.—Policies No. so and so, with such and such a Life Insurance Co. were for the purpose of allowing the survivor to acquire the deceased's interest in the Tomharry Co. Ltd., the interest of each being so many shares.

Clause No. 2. — The allocation of responsibility for the payment of premium deposits on each policy. In this particular case the method chosen was to equalize the premium deposits between the two men by interior accounting.

Clause No. 3.—The appointment of a corporate trustee, that could be counted on to be on hand when required, as trustee under the agreement. Its agreement to act on behalf of all designated parties, and to carry out the terms of the trust.

Clause No. 4.—As nobody could tell what the value of the deceased's interest would be at death, the method of valuation was stated in the agreement. The method adopted was a special inventory at the time, handled by the impartial trustee.

Clause No. 5.—Whether or not goodwill was to be included in the valuation. If so, the method to be used in placing a valuation on it.

Clause No. 6.—If at the time of death the insurance monies were not sufficient to cover the value of the deceased's interest they were to form the initial payment, the balance to be payable over a five-year period, with 7 per cent interest. If the insurance monies were more than sufficient, the disposition of the surplus.

Clause No. 7.—Each shareholder reserved the right to step out of the company and to take the policy on his own life with him by paying the other shareholder the then cash value of the policy. He was to be free to borrow the money at the time on the policy itself.

Clause No. 8.—In the event of the company winding up, each shareholder was to have his own policy released to him.

Clause No. 9.—The agreement could be amended or voided at any time by mutual consent.

Clause No. 10.—Policy cash values could be borrowed for emergency purposes by mutual consent.

Clause No. 11.—The shareholders agreed to bind their executors to sell and themselves to purchase each other's interest as stated, and to pay the true value as determined under clause 4.

Clause No. 12.—As the policy on the survivor's life had been brought to its then cash value by the deceased, the estate of the deceased should be reimbursed to the extent of the then cash value in the policy. If the survivor wished to retain the policy, he was to pay the trustee its then cash value, which the trustee would turn over to the deceased's estate. The survivor reserved the right to borrow on the policy itself for this purpose.

Get Legal Advice

The outlines of the agreement and the life insurance policies were then handed to their lawyer, who put the agreement into legal form, and checked the whole plan to make sure that the policies were written so that the valuation of the business would not be increased for succession duties by the introduction of the insurance monies. In this case the policy on each man's life was made payable to the other man, and the policies were assigned to the trustee.

Tom died in 1931.

The life insurance man who had installed their stock purchase plan had seen to it after each audit that the life insurance which financed the agreement kept pace with the increasing value of each of their interests.

The Trust Company, under clause 4 of the agreement, had an audit made of the business, and it was found that the value of Tom's interest was $28,432. The insurance on each man's life stood at $27,000 at the time. The Trust Company paid Tom's wife the $27,000, less the trustee's fee on the regular tariff, and transferred to Harry the equivalent in stock. The balance of the stock, not financed by the life insurance monies, the Trust Company holds in escrow under clause 6, releasing it to Harry as he meets the payments during the five year period stipulated.

Small Balance Uncovered

The economic depression prevented Tom and Harry from taking on the last couple of thousand dollars insurance necessary to finance a clean cash deal, but the important objects have been accomplished of transferring the major portion of Tom's interest to Harry, and giving Tom's wife ample liquid capital to live on. And Harry is not hampered in his conduct of the business.

A business man who owns an interest in a business probably puts his signature to two far reaching documents during his life time.

(1) His will.

(2) The agreement which enables him to acquire the interest, or a portion thereof, of a deceased partner, and which automatically transfers his own interest to his partners, for cash, when he dies himself.

Of the two documents, the agreement to buy or sell the business interest is often more far-reaching than the will. Most of us can recall the experiences of one or more business organizations in our own circle which show us that on the agreement, or the lack of it, may hinge the very existence of a business, and consequently, the future of the employees. It may thus affect many more people than does the will.

Agreement Important

Many firms have in the past fizzled out for lack of an agreement of this nature, scientifically planned and financed.

Should one have a stock purchase agreement with his business associates? If so, what should it cover? Who stands to benefit by it? How should it be financed? What proved principles govern the planning of stock retirement plans for different business organizations?

The story of the Tomfred and Tomharry companies is an attempt to answer these questions as they affect an incorporated company with two active principal shareholders. Other types of business will be discussed in future articles.

As each business organization has its own structure, atmosphere and peculiarities, the application of the proved principles must necessarily vary in practice for each individual case.

There are, however, very definite methods for each type of case that are the result of pooled experience.

For example, there may be four principal active shareholders in a corporation. Two of them may have sons whom they wish to inherit their business interests and take their places. The other two may wish their interests converted to cash when they pass on.

An example of this type of case will be the next step in this series.

Life Agents Failed To Study Needs

An Alberta reader recently enquired regarding the standing of two of the smaller United States life insurance companies, one of which was not licensed to do business in Canada, stating that he intended placing some business with them.

He felt that his particular case called for straight life insurance and while he preferred Canadian companies he did not know of any which sold this type of business. His remarks might be a warning to salesmen who attempt to force endowment policies owing to the higher commissions obtained.

"Would prefer Canadian companies, but do not know of any. All the insurance agents seem to know about is twenty-year endowment, which is not what I want in this case. Should you know of any, I would be glad to get the address."

Operating in Quebec, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia

FIRE AUTOMOBILE WINDSTORM

Insurance in force over $250,000,000.00
Total Assets over 3,000,000.00

Agents required in Ontario
Write Eastern Branch, 2 Toronto St., Toronto, Ont.

THE WAWANESA MUTUAL INSURANCE CO.
Head Office—Wawanesa, Man.

KIDNAPPING RISKS COVERED THROUGH LONDON LLOYD'S

Business Being Written in United States Through Chicago Agent

Active business in insurance against kidnapping is being secured in the United States by Lloyd's of London following the most recent crime wave which has swept that country. Protection is being arranged for prominent persons threatened, through an insurance company which acts as Chicago correspondent for the British concern, according to an item appearing in the Montreal Gazette.

Utmost secrecy prevails in the arrangement of insurance against kidnapping, it is stated, the identity of the persons involved being even kept secret from members of the staff. If the names of those insured became known, it would, of course, be a standing invitation to come and kidnap them.

Careful Selection of Risks

According to the Gazette, the following is the procedure before the risk is accepted:

The name of the person applying for this type of insurance is cabled to London in a secret code. The deal is arranged by a senior officer of the firm acting as Chicago correspondent for London Lloyd's. Not even members of his staff are permitted to know the identity of the person involved.

Only persons of unquestioned reputation are considered for this type of insurance. Once a person applies for this protection his record is examined.

The maximum amount of protection which will be given an adult is $100,000 and the limit is $50,000 for a child. Straight kidnapping coverage is offered at a rate of three-quarters of one per cent while policies covering children will be at a rate of one-half per cent.

In addition, there is a rate of 1 per cent for adults which also provides compensation for injuries incurred while a victim was in the hands of kidnappers. The later insurance is provided in the form of an endorsement of a personal accident policy written by Lloyds.

Current Events in Banking World

Bank Chat on Current Topics

Scotsmen Both

LORD MACMILLAN and Sir Charles Addis, whose travels through Canada bankers will view with interest during the next month or more, are two Scotsmen who have achieved more than passing fame in their chosen professions, law and banking. Said Lord Macmillan at the first public session of the Royal Commission:

"I fear my nationality may perhaps make me a partial judge, as may be the case also with my colleague, Sir Charles Addis, but I cannot help feeling that the fine record of Canadian banking in the past is due in part at least to the fact that it has been so largely modelled on the banking system of Scotland and has enjoyed the services of so many officials trained in the sound traditions of that system. It is not without significance that of the 140 or so charter members of the Bank of Montreal at least 90 bear Scottish names, while among the 89 incorporated members of the Quebec Bank there were 30 Scottish names."

The first witness before the commission was a McLeod and the roster of Canadian bank managers contains a good proportion of Scottish names which bear evidence that the influence of that nationality is still important in Canadian banking.

* * *

"Probe" is Odious

REFERENCE in the headlines of daily papers to the "Macmillan Probe" has touched the sensibilities of some bank men who feel that the word "probe" connotes something criminal in the mind of the public. The surgeon also "probes" but that connotation arouses no pleasant feelings either. We would not seek to apologize for the busy editor seeking a short, expressive word that will go with "Macmillan" in a one-column head but our dictionary says that "probe" means to test, to try, to prove. Surely that is exactly the purpose of the Macmillan Royal Commission.

With the simple clarity that is one of the characteristics of his judgments, Lord Macmillan says: "The institution of this Commission in no sense implies a condemnation of Canadian banking; its purpose rather is to lend such assistance as may be possible, in enabling it to cope with that with which it is confronted and the new needs which it has to meet."

* * *

High-lights of the evidence laid before the Macmillan Commission will go on the wires from day to day but it will take time for the official reporter to transcribe all the evidence given and send it back to Toronto. Out of the mass of evidence that will be submitted will be much of interest to both bankers and business men. The Financial Post will sift this evidence as it becomes available in official transcripts of the hearings and will present all the important views expressed to its readers.

Staff Changes

A. G. MACLELLAN, formerly manager at Barrie, Ont. for the Bank of Nova Scotia, has been appointed manager at Yarmouth, N.S.

J. S. TURNER, manager of the Portage and Garry branch of the Canadian Bank of Commerce at Winnipeg will retire on September 4, thus ending a banking career that started in 1888 with the Standard Bank. In 1909, Mr Turner went to Winnipeg as manager of the main branch and in 1920 was made supervisor of Manitoba branches of the Stanley Bank which was merged with the Canadian Bank of Commerce in 1928.

P. H. HAMON will become manager of the Portage and Garry branch of the Canadian Bank of Commerce in Winnipeg, succeeding J. S. Turner. Mr. Hamon has been with the Bank of Commerce since 1907 having been in the Maritimes until 1910 and then going to Calgary. He returned east in 1915 but was later appointed manager of the Virden, Man. branch and then manager of the Portage and Garry branch. Following the merger with the Standard Bank in 1928 he became assistant manager at that branch under Mr. Turner.

The **Canadian Bank of Commerce** announces the following staff changes:

E. MORGAN, audit officer, Vancouver, B.C., has been appointed an assistant cashier at Los Angeles, Cal., for the Canadian Bank of Commerce, California.

W. H. KENT, assistant cashier at Los Angeles, has been appointed assistant accountant at Portland, Oregon.

R. W. FOWLER, assistant accountant at Portland, Ore., has been appointed an assistant cashier at San Francisco, Cal.

Branch Changes

The **Bank of Montreal** will re-open an office at Paradise Valley, Alta., on September 5. This office will be open on Tuesday and Thursday of each week and will be operated as a sub-agency of Edgerton, Alta., branch.

B. C. Cattle for China

A shipment of 35 dairy cattle from New Westminster to Shanghai is expected by the trade to be just the first of several such shipments. The cattle were carefully selected from among the best grade stock in the Fraser Valley.

EXPECT BANKS TO COMPROMISE ON BOND DEALS

May Drop Corporation Securities and Stick to Gov't Bonds

A compromise view of the position of the Canadian banks in the bond business is likely to be taken in connection with the forthcoming Dominion conversion loan and other issues, it is understood. It is now felt that banks may abandon some of their dealings in corporation securities. On the other hand, government officials and bankers have indicated to The Financial Post that they believe the banks serve a legitimate field in underwriting and distributing government and municipal bonds.

"I believe the banks would be quite prepared to give up certain phases of their securities business," one banker recently told The Financial Post. He was referring to the handling of industrial and public utility securities by the banks.

The view of government officials and bankers appears to be that in government loans the distributing power of the banks is essential to success. The Dominion at least wishes to retain the goodwill of the banks for this reason, it is understood. The banks feel that they perform work on national loans which bond dealers alone could not furnish.

One of the chief objections some investors have to dealing with investment bankers is that they do not feel confident that the prices obtained are always the best. In order to overcome the difficulty of investors in getting reliable quotations, the Investment Bankers' Association of Canada has recently considered the question of establishment of an open bond market.

American View

An authoritative American view of the position which banks should have in the bond business was recently given by R. C. Leffingwell, of J. P. Morgan & Co. Said he:

"Banks should not be retired from the securities business entirely, lest machinery for capital issues be impaired:

". . . . Banks should still be permitted within the limits of the present law to buy, sell and own bonds, and to underwrite them and lend upon them."

This again is the compromise view. But indiscriminate dealing in corporation securities by American banks through affiliates appears to be finished. This situation appears to be in agreement with the ideas of the Canadian banker mentioned above. The Canadian banks have no active securities affiliates, but in the past some of them have dealt actively in corporation securities.

Bond Dealers' Views

Some bond dealers have questioned the legitimacy of the Canadian banks being in the bond business at all. Many dealers think the banks should not be allowed to do any retail bond business. This view is considered extreme by impartial observers.

How conflicting are the views on this subject was illustrated recently in a memorandum compiled by legal and financial authorities on the Canadian companies acts. This document contained a recommendation that the Canadian banks be compelled to give up their securities departments. Elsewhere it stated that in England small investors had been protected because they always take their bond business to the banks. It now appears that these two opposite views may be reconciled. This might come by withdrawal of the banks from some phases of the securities business, and by continuance of the banks' service to small investors who request it.

The bond dealers' objections to banks' activities even in government securities has been due chiefly to the fact that this type of business has been the only one available to dealers in the last two or three years. Corporation bonds have been quiet. Dealers claim they frequently find that after working out details of a transaction, banks get the business. Their contention is that they supply the initiative and the ideas to investors. The latter then check prices with their banks. The result, dealers claim, is that banks shade their prices to a point at which a legitimate profit is not obtainable, and get the business.

Weekly Bank Clearings

	Aug. 10 1933 $	Change year ago %	Aug. 3 1933 $
Halifax	2,110,050	+3.6	2,107,312
Saint John	1,484,004	—12.3	1,659,369
Moncton	514,062	—8.4	561,494
Sherbrooke	557,683	—8.1	555,318
Quebec	3,977,355	+9.8	4,198,125
Montreal	91,417,312	+37.2	98,411,603
Ottawa	3,347,408	—11.1	3,718,092
Kingston	498,242	—8.0	552,361
Peterborough	447,435	—20.1	559,123
Toronto	73,995,228	+9.4	122,293,695
Kitchener	756,192	+0.4	861,000
Brantford	578,213	—14.4	742,371
London	1,779,367	—14.8	2,276,806
Chatham	361,715	—0.7	484,044
Windsor	2,129,479	—6.2	2,431,991
Sarnia	348,108	—16.5	363,542
Sudbury	488,128	+40.1	560,579
Hamilton	2,999,989	—16.5	3,793,228
Ft. William	504,148	—6.0	680,328
Brandon	284,070	—4.4	331,341
Regina	3,729,201	+44.2	5,583,998
Moose Jaw	427,878	—1.5	472,980
Saskatoon	1,287,444	+1.2	1,323,587
Edmonton	3,442,877	+0.9	3,224,325
Calgary	6,223,668	+62.3	6,023,874
Medicine Hat	172,170	+25.1	198,482
Lethbridge	398,189	+18.7	309,630
N. W'minster	445,172	—0.4	561,171
Vancouver	16,118,886	+19.3	15,901,718
Victoria	1,473,332	+14.0	1,647,137
Winnipeg	68,309,694	+60.7	153,815,611
Pr. Albert	235,482	—14.3	284,770

WOULD PUT ONUS ON GEN. MANAGER AND PRESIDENT

Ex-Banker Suggests Way to Prevent Future Bank Failures

Added insurance against the possibility of bank failures in Canada can be secured by making the president and general manager of each bank responsible for the accuracy of the monthly returns made by the banks to the Federal authorities in the opinion of H. W. Barker, assistant treasurer of the Extension Fund of the United Church of Canada and formerly a branch manager for the Royal Bank. Mr. Barker feels that bank failures are usually the result of bad management plus the rendering of false returns to the Government and that definitely placing the onus of false returns on the heads of the bank would serve to reduce the possibility that losses might be hidden until the assets of the bank were endangered.

Mr. Barker asserts his belief that present officers and directors of the Canadian banks "are proving true to their trust" and feels that the Canadian banking system offers a high degree of safety to creditors but he points out that while each decennial revision of the Bank Act takes the act one step nearer to perfection hardly a decade passes without a bank failure. His suggestion for the strengthening of the act still further is as follows:

The general manager, who is responsible for the conduct of the bank, is, without doubt, responsible for the contents of every Government statement. He knows whether the figures reported are right or wrong. Bring to mind the bank failures of the past thirty or forty years and it will be found that the crookedness was on the part of the general manager. In case of trouble, however, there is usually an attempt to saddle the responsibility upon the chief accountant; but if the sworn statement is incorrect the guilt must in every case rest entirely upon the shoulders of the general manager and the president and directors who are associated with him. While these latter cannot be as familiar with the details as the general manager is, they must share the responsibility with him. To say that these officials have to depend upon the chief accountant for the information contained in the statements is not only dishonest, but cowardly. He merely compiles it, but if it is incorrect in any particular the general manager should suffer the penalty of the law and not be allowed to escape on a technicality. An accountant who refuses to sign a statement which he knows to be false is subject, of course, to dismissal for insubordination; but the officers of a bank would not dare to resort to such a course, for the dismissed accountant would be apt to "squeal."

Can Place Guilt

The great difficulty when a bank falsifies its monthly returns in an attempt to hide heavy losses is, as has already been said, to place the guilt upon the proper party. Whatever charge is made must be framed upon the wording of the certificate attached to the statement. The chief accountant declares that it is "correct according to the books of the bank." This is all he can do. Then follows the certificate of the president and general manager, who jointly declare that "the foregoing return is to the best of our knowledge and belief correct and shows truly and clearly the financial position of the bank," etc. This would seem to be binding, but Presidents and General Managers have been known to escape even from this. An association of general managers is not likely to suggest anything more binding, but this, in our judgment, is where revision is needed. The addition of the words "and we jointly and severally assume full responsibility for the same in every detail" would make them hesitate before attaching their signatures. These officers must assume full responsibility, whether they want to or not, and the realization that the rendering of a false return meant certain imprisonment would have a deterrent effect.

This addition in the wording of the certificate will be objected to on the plea that the general manager and president cannot know the entire contents of the statement when it is made up from branch returns. The reply to this is that, as all loans of any considerable size have to be authorized by Head Office, it is next to impossible for large losses to occur at any branch, or even for large loans to be in jeopardy, without this knowledge coming to the general manager within a very short time—in ample time to avoid disaster; and if the general manager does his duty he will report such information without delay to his directors. Sometimes even the president and directors are hoodwinked. Too much reliance has been placed upon the general manager, and he, being an expert banker, has found ways of hiding information even from his board.

Leighton Foster to Address Canadian Bar Association

R. Leighton Foster, K.C., Superintendent of Insurance of Ontario, is to address the 18th annual meeting of the Canadian Bar Association at the Chateau Laurier, Ottawa, on Friday, September 1. Mr. Foster's subject, "The Uniform Automobile Insurance Statutes," is one with which he is thoroughly familiar, as he served in the capacity of counsel for the Royal Commission which investigated the question of automobile insurance premium rates in Ontario 1929-30.

As a result of the commission, the Financial Responsibility Law of the Province was passed.

Produce More Naphtha

Royalite is securing 750 barrels of naphtha daily from treatment of 60,000,000 cu. ft. of gas in its new quarter-million-dollar absorption plant. This return is being extracted from what has heretofore been considered "waste gas" surplus overflow from Turner Valley wells of Royalite and Mayland from which under old methods the naphtha could not be recovered and which was allowed to burn away.

He cashed a cheque
IN MID-OCEAN

"There have been times," said a friend who has travelled widely, "when I have found my immediate supply of ready money practically exhausted, with the nearest bank located on land some hundreds of miles away.

"It is to meet such a situation that I always buy travellers' cheques from Imperial Bank of Canada. These cheques are honoured everywhere—and they obviate the need of carrying large sums of currency."

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HEAD OFFICE • TORONTO
Capital and Reserve $15,000,000
FRANK A. ROLPH, President
Col. J. F. Michie, Vice-President R. S. Waldie, Vice-President
A. E. Phipps, General Manager
230 BRANCHES THROUGHOUT CANADA

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CANADIAN NATIONAL EXPRESS
MONEY ORDERS

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SASKATOON EDMONTON
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A deposit is maintained with the Federal Government.

Operating under Dominion License.

The
PORTAGE LA PRAIRIE
Mutual Insurance Company
Portage la Prairie, Man.
Est. 1884

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HEAD OFFICE FOR CANADA
HAMILTON ONTARIO
WRITING FIRE AND AUTOMOBILE INSURANCE AT COST, ASSETS $4,616,449.70
ALL POLICIES NON-ASSESSABLE, PAYING DIVIDENDS RANGING FROM 20% TO 30%

BRANCH OFFICES
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Ottawa
Vancouver
Victoria
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Calgary
Saskatoon
Winnipeg
Montreal
Quebec City
St. John
Halifax

Does Canada Need a Central Bank?
Two Booklets discussing all phases of a big National problem

Business men in Canada are keenly interested in the work of the Royal Commission now investigating the Canadian Bank Act under the chairmanship of Lord Macmillan. Get the two books advertised below and study both sides of the important question, "Does Canada Need a Central Bank?"

The Economist answers the Question

ECONOMISTS, business men, parliamentarians and bankers alike have spoken highly in praise of the articles on "A Central Bank for Canada" by A. F. W. Plumptre, lecturer in money, University of Toronto. The articles were a simple statement of the pros and cons, written for the average business man reader.

Republished in booklet form, the articles have been in heavy demand. Copies, bound in paper cover, may be had at the nominal cost of, each .... 25c.

The Banker answers the Question

THE bankers' viewpoint on the question of a Central Bank is clearly set forth in "Does Canada Need a Central Bank?" a booklet reprinting a recent series of articles by "A Canadian Banker." The articles also cover fully the subjects of inflation, currency depreciation, etc., which are so definitely before the public at the present time. This booklet also may be had at the nominal cost of, each .... 25c.

Use the coupon to order one or both of these books

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Dosco Receives Order for Coal from Montreal

From Our Own Correspondent

MONTREAL—An order for 35,000 tons of coal has been received by the Dominion Steel and Coal Corp. from the Lasalle Coke Co., Montreal. The order will be divided between the corporation's subsidiaries, Nova Scotia Steel and Coal Co. and Dominion Coal Company.

This order placed by LaSalle Coke, subsidiary of Montreal Coke and Manufacturing Co., is similar to that placed last year with Dosco.

Sydney Steel Plant Works on African Order

From Our Own Correspondent

MONTREAL—Dominion Steel and Coal Corp. has started work on the 12,000 ton rail order recently received from South Africa. Rolling operations at the Sydney steel plant will require six weeks or more, after which the mill will resume work on the 50,000 ton order for the Canadian National Railways. Activity at the plant continues to be well-sustained with 15,000 constituting the daily average working force.

THE

WABASSO COTTON COMPANY

LIMITED

and Subsidiary Companies

ANNUAL REPORT 1933

BOARD OF DIRECTORS:

G. R. WHITEHEAD, President
JAMES W. PYKE, Vice-President
HUGH MACKAY, K.C. R. N. BALL WM. I. GEAR
WM. HARTY D. ADAMSON PARKYN
W. J. WHITEHEAD

Directors' Report to the Shareholders

Your Directors have pleasure in submitting herewith Consolidated Balance Sheet as at 1st July, 1933, together with Consolidated Profit and Loss Account for the year ended that date.

The result of the year's operations is fully set forth in the appended Consolidated Profit and Loss Account, from which it will be observed that, after making provision for all charges, including Bond Interest, Sinking Fund and Bond Discount, and making allowance for depreciation of Property and Plant, there is a net profit of $21,443.24. This amount has been added to Surplus which after a small adjustment for loss on the purchase of Subsidiary Company shares brings the balance to be carried forward to $124,284.03.

In submitting this report your Directors are gratified that, notwithstanding the adverse conditions which prevailed in the cotton trade throughout a large part of the year under review, operations, due to careful management, have resulted in a profit of $21,443.24 as compared with a loss of $283,705.13 for the previous year.

Your properties are modern in every respect and have been well maintained during the year.

Your Directors desire to record their appreciation of the faithful and efficient services rendered throughout the year by the Officers, Staff and Employees of all Departments.

Respectfully submitted on behalf of the Directors.

(Signed) C. R. WHITEHEAD,
President.

Three Rivers, Que., 5th August, 1933.

CONSOLIDATED BALANCE SHEET

As at 1st July, 1933

ASSETS

Current Assets:—			
Cash on Hand and in Bank		$ 90,452.78	
Accounts Receivable, less Reserve for Bad and Doubtful Accounts		486,733.86	
Inventory of Raw Cotton, Partly Manufactured and Manufactured Stock, Supplies, etc.		957,766.94	$1,534,953.58
Cash in Hands of Trustees for Bondholders			6,545.02
Property:—			
Real Estate, Buildings, Plant, Machinery, etc.			9,604,447.30
Investments:—			
Investment of Subsidiary in The Wabasso Cotton Company, Limited, Stock at Cost	$594,053.02		
Bonds of The Wabasso Cotton Company, Limited, at Cost	31,625.37		
Sundry Investments at Cost	70,182.18	695,860.57	
Pledged as Collateral Security for $750,000.00 20-Year 7% Collateral Trust Gold Bonds:			
12,500 shares of $100.00 each of St. Maurice Valley Cotton Mills, Limited, Common stock, being the whole issue.			
Bonds of St. Maurice Valley Cotton Mills, Limited, at Cost		722,619.00	1,418,479.57
Deferred Charges:—			
Bond Discount, Unexpired Insurance, etc.			233,108.52
			$12,797,533.99

LIABILITIES

Current Liabilities:—			
Accounts and Bills Payable		$257,256.61	
Bank Loans secured under Section 88 of the Bank Act		220,000.00	
Operating Expenses, Accrued Wages and Reserve for Government Taxes		118,718.13	
Bond Interest Accrued		23,062.62	619,037.36
Deferred Liabilities for Machinery Purchases			49,728.76
Bonds:—			
First Mortgage 6% Bonds of The Wabasso Cotton Company, Limited, due 1st June, 1947:			
Authorized and Issued	$1,000,000.00		
Less: Bonds Redeemed $230,000.00 Held in Treasury 19,000.00	249,000.00	751,000.00	
Mortgage and Collateral Trust Sinking Fund 7% Bonds of The Wabasso Cotton Company, Limited, due 1st May, 1942:—			
Authorized and Issued	750,000.00		
Less: Bonds Redeemed for Sinking Fund	251,000.00	499,000.00	
First Mortgage 6% Bonds of St. Maurice Valley Cotton Mills, Limited, due 1st June, 1952:			
Authorized and Issued	2,500,000.00		
Less: Bonds Redeemed	643,100.00	1,856,900.00	
First Mortgage 6% Bonds of The Shawinigan Cotton Company, Limited, due 1st December, 1949:—			
Authorized	2,500,000.00		
Issued	1,166,000.00		
Less: Bonds Redeemed	412,500.00	753,500.00	3,860,400.00
Reserve for Mortgage and Collateral Trust Bond Sinking Fund			233,941.03
Reserve for Depreciation			3,217,902.81
Capital Stock:—			
Authorized: 105,000 shares of No Par Value.			
Issued: 69,903 shares Fully Paid			4,192,240.00
Consolidated Surplus:—			
General Reserve		$500,000.00	
Profit and Loss Account, as per Statement attached		124,284.03	624,284.03
Contingent Liability:—			
For Bills Receivable under Discount. $72,854.00			
			$12,797,533.99

(Signed) C. R. WHITEHEAD } Directors
JAS. W. PYKE

Montreal, 4th August, 1933.

Verified as per our Report, of this date,

RIDDELL, STEAD, GRAHAM & HUTCHISON, Auditors

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 1st July, 1933

Profit for the year ended 1st July, 1933, after deducting all Manufacturing and other Charges and Expenses, including provision for Income Tax, but before providing for Depreciation, Bond Interest, Sinking Fund and Bond Discount		$528,274.33
Interest on Investments		61,852.47
		$590,126.80
Depreciation on Property and Plant	$285,400.00	
Bond Interest	240,864.46	
Sinking Fund	29,700.00	
Bond Discount	12,719.10	568,683.56
Net Profit for the year		$ 21,443.24
Balance at credit 2nd July, 1932	$103,157.21	
Less: Loss on Subsidiary Company's shares purchased during year	316.42	102,840.79
Balance at Credit carried to Balance Sheet		$124,284.03

WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto and Curb Markets

WEEK ENDING AUGUST 14

Range 1933 High	Low	Divd. Rate in $	Yield in % Aug. 12		Sales	Close Aug. 7 (or—last)	Week Ending Aug. 14— High	Low	Close
				A					
4	⅛	.	...	Abitibi	3370	2	2½	2	2
10	1	.	...	Do. pref. 6%	145	5½	6	6	6
x80	80	7	...	Acme F. D'y p	....	..	..	..	..
8	4	.	...	Agnew Surp.	....	7½	..	..	..
65	57½	7	...	Do. pref.	....	65	..	..	..
10	3¼	.	...	Alta. Pac. Gr.	45	6½	6½	6	6
40	20	.	...	Do. pref.	104	36	36	36	36
x3½	1½	.	...	Amal. Electric	....	..	..	..	..
10	3	.	...	Do. pref.	50	10	9	9	9
†3½	3½	.	...	Anglo. N. Hold.	....	..	..	..	..
.60	.15	.	...	Asbestos	....	.60	..	..	..
.75	.50	.	...	Do. pref.	....	.75	..	..	..
15	3½	.	...	Assoc. Brew.	20	14	14	13	13
77½	65	7	9	Do. pref.	....	77½	..	..	..
x3	3	.	...	Assoc. Can.	....	..	..	..	..
†69	65	.	...	Assoc. Tele.	....	..	..	..	..
				B					
155	127	10	6.4	Bk. Can. Nat.	40	155	155	155	155
221	150	8	4.0	Bk. Montreal	130	202	207	197	197
280	228	12	4.4	Bk. N. Scotia	42	276	278	270	270
215	199	10	4.8	Bk. Toronto	29	205	208	207	207
17	10	.	...	Barcelona	....	17	..	..	..
8	1	.	...	Bathurst Pr.	405	5	5½	5	5½
2.00	1.00	.	...	Do. (B)	47	1.75	1.50	1.50	1.50
†26	26	.	...	Bawlf Grain	....	..	..	..	..
20	6	.	...	Do. pref.	5	8½	8½	8½	8½
7	3	.	...	Beath & Sons	....	5¼	..	..	..
15	3½	.	...	Beatty Bros. A.	....	10	..	..	..
70	53	6	8.6	Do. pref.	....	70	..	..	..
8½	5½	.	...	Beauharnois	1861	5⅝	6	5½	5½
80	50	4	8	Belding Cort.	....	50	..	..	..
89	85½	7	8.2	Do. pref.	....	85½	..	..	..
120½	80	6	5.4	Bell Telephone	420	110½	112	109	112
7	3½	.	...	Biltmore Hats	....	7	..	..	..
75	62	7	9.3	Do. pref.	....	75	..	..	..
4	2½	.	...	Bissell, T. E.	35	4	4	4	4
†97	88	.	...	Do. pref.	....	..	..	..	..
6	1	.	...	Blue Ribbon	....	4½	..	..	..
22	10	2	9.8	Do. pref.	....	20½	..	..	..
22	18½	2	9.3	Brant. Cd. pf.	15	22	21½	21½	21½
19	7	.	...	Brazilian Tr.	12178	14	14⅜	13⅜	13¾
3.85	.55	.	...	Brew. & Distil.	22180	2.45	2.65	2.30	2.30
12	½	.	...	Brewing Corp.	2261	5	8⅝	4½	4¾
19	⅝	.	...	Do. pref.	402	12	13	11⅞	11¼
16	7½	80c	5.2	Brit. Amer. Oil	4881	13⅜	14	13¼	13¾
8	1	.	...	B. C. Packers	2040	5	5	4½	4⅜
20	6	.	...	Do. pref.	25	17	17	17	17
28	14	2	7.8	B. C. Power A.	785	26¼	26	25	25
6¾	3	.	...	Do. (B)	75	6	5⅞	5⅞	5½
18¾	3	.	...	Bruck S. Mills	1012	15	15½	15	15
21	10½	1	5.9	Building Prod.	35	16	17	16¼	16¼
38½	30	2	5.9	Burt, F. N.	171	34	34½	34	34
				C					
x125	120	6	...	Calgary Pr.	....	..	..	..	..
9¼	1½	.	...	Canada Bread	205	6½	7	6½	6½
75	40	3	4.6	Do. pref. A.	....	65	..	..	..
31	8	.	...	Do. pref. B.	1	28	30	30	30
18	5½	60c	5.2	Canada Bud	2100	11¾	12	11	11½
10⅞	2½	.	...	Canada Cement	1716	8½	8½	7¾	8
45½	12	.	...	Do. pref.	205	39½	40	38	38
b41½	7½	1	3.3	Canada Dry	37500	29¾	32½	29¼	30¾
8	2	.	...	Can. Forg. (A)	....	8	..	..	..
x7½	2	.	...	Do. (B)	....	..	..	..	..
x15	15	.	...	Canada Iron	....	..	..	..	..
†80	75	3	...	Do. pref.	....	..	..	..	..
*425	405	20	4.9	Canada Life	....	405	..	..	..
40	13½	1.50	4.7	Can. Malting	3611	31	32½	31	32
17¾	12	80c	5.0	Can. Nor. Pr.	205	15⅞	16½	16	16
90	65	7	7.7	Do. pref.	100	86	90	90	90
.25	.05	.	...	Can. Paving	....	.10	..	..	..
10	4	.	...	Do. pref.	....	5½	..	..	..
165	120	10	6.2	Can. Perman.	1	160	159	159	159
3½	1½	.	...	Can. Steamsh'p	80	2⅞	2⅛	2⅛	2⅛
9½	2	.	...	Do. pref.	200	5	5	5	5
26	13½	1.60	7.1	Can. Vinegars	115	22½	23¾	22½	22½
30	26	.	...	Can. W. Cable	....	30	..	..	..
15	7	.	...	Do. (B)	70	12½	12	12	12
2	2	.	...	Can. Bakeries	....	2	..	..	..
5	5	.	...	Do. pref.	....	5	..	..	..
176	119	8	5.1	Can. Bk. Com.	243	158	163	155	157
25	9	60c	3.1	Can. Bronze	35	20	20	20	20
96½	70	7	...	Do. pref.	....	96½	..	..	..
10¾	2½	.	...	Can. Canners	200	9	9	9	9
80	48	6	7.9	Do. 1st pfd.	25	79	78	78	78
14	3⅞	20c	1.7	Do. 2nd pfd.	410	12	11⅞	11½	11¾
11¾	2	.	...	Can. Car & F'y	1130	9	9½	9	9
19½	9½	1.75	9.2	Do. pref.	380	17½	18	17½	18
28	6¼	.	...	Can. Celanese	525	20	20	19	20
107	70	7	6.9	Do. pref.	290	100	102	102	102
35	8	2	5.7	Can. Convert.	....	35	..	..	..
38	15	.	...	Can. Cottons	15	35	38	38	38
75	45	6	8.1	Do. pref.	22	75	74	65	74
22½	10	1	...	Can. Dredge	205	18½	19	18½	19
†92	92	7	...	Do. pref.	....	..	..	..	..
79	79	6	7.6	Can. Fairb. pf.	....	79	..	..	..
9½	2	.	...	Can. For. Inv.	....	7	..	..	..
80	35	8	10	Do. pref.	....	80	..	..	..
130	120	3	2.3	Can. Gen. Elec.	....	130	..	..	..
60	50	3.50	6.1	Do. pref.	12	57	59¾	57	57
6½	4	.	...	Can. G. Inv. T.	....	6½	..	..	..
65	34	6	10.4	Can. Hyd.-El. p.	162	60	60	57½	59
40	1½	.	...	Can. Ind. Alc.	19743	18	20	17¾	18¼
39	.90	.	...	Do. (B)	1523	16¼	18½	16½	18
101½	75½	3.50	3.4	Can. Industries	....	101½	..	..	..
125	125	7	5.6	Do. pref.	....	125	..	..	..
†5.00	8.95	.	...	Can. Int. I. Tr.	....	..	..	..	..
†70	64½	.	...	Do. pref.	....	..	..	..	..
21	21	1	4.8	Can. Lt. & Pr.	....	21	..	..	..
b3½	1⅛	.	...	Can. Marconi	6200	2⅝	2⅞	2⅝	2⅝
20	6	50c	3.2	Canadian Oil	55	14	15½	15	15½
97	79	8	8.5	Do. pref.	....	94	..	..	..
21⅞	9	.	...	Can. Pacific	4407	17	17⅞	16⅞	16¼
3	1	.	...	Can. Vickers	50	2½	2½	2½	2½
7½	5	.	...	Do. pref.	....	7½	..	..	..
49	46	2	4.1	C. West'ghouse	....	49	..	..	..
9¼	1½	20c	4	Can. Wineries	795	6¼	6¼	4¾	5
9½	3	.	...	Can. Wire Box	75	9½	8½	8½	8½
9½	5½	.	...	Catelli Mac. (A)	....	9½	..	..	..
2	1	.	...	Do. (B)	....	1½	..	..	..
245	245	8	3.3	Cent. Can. L'n	....	245	..	..	..
2.35	.50	.	...	Chem. Research	2700	1.25	1.25	1.05	1.10
1.60	.20	.	...	Claude Neon	545	1.00	1.00	.90	.90
15½	3	.	...	Cockshutt Plow	2025	10½	10½	9	9
9	3	.	...	Comm. Alcohol	110	7	6	5½	6
5	1	.	...	Conduits	....	5	..	..	..
†94	84	.	...	Do. pref.	....	..	..	..	..
16½	2	.	...	Cons. Bakeries	143	13	13½	13	13
5	½	.	...	Cons. Indust.	10	2¼	2¼	2¼	2¼
6⅞	1¾	.	...	Cons. Paper	1662	3¾	4	3½	4
12	3	.	...	Cons. Press	....	10	..	..	..
x35	30	.	...	Cons. Sand. p.	....	..	..	..	..
142	54	10%▲	..	Cons. Smelters	1086	126	134	126	130½
190	170	10	5.4	Consumers' Gas	223	187½	187	185	185
‡35	30	.	...	Cooksville Co.	....	..	..	..	..
‡85	85	.	...	Do. pref.	....	..	..	..	..
†20½	15	.	...	Corpor. Steel	....	..	..	..	..
‡90	90	.	...	Corr. P. Box p.	....	..	..	..	..
8	1½	.	...	Cosgrave Brew.	225	6	6	5	5½
10	2	.	...	Cosmos Imp.	15	8	7	7	7
50	39	3.50	7	Do. pref.	....	50	..	..	..
6¼	1½	.	...	Crown Dom. Oil	105	3½	4½	3⅝	4½
20	8	2	...	Crow's N. Coal	....	16	..	..	..
				D					
2	1	.	...	David & Fre. B	....	1	..	..	..
5	5	.	...	Do. (A)	....	5	..	..	..
†12½	12½	.	...	De Havilland	....	..	..	..	..
x15	10	.	...	Do. pref.	....	..	..	..	..
†9	5	.	...	Disher Steel	....	..	..	..	..
17	17	.	...	Do. pref.	....	17	..	..	..
52½	4	.	...	Distill-Seagram	11218	26	30	26½	27¼
5	5	.	...	Dodge (A) pf.	....	5	..	..	..
x2	1½	.	...	Do. (B)	....	..	..	..	..
175	124	10	6.2	Dom. Bank	19	160	160	159½	160
34	12½	2	6.4	Dom. Bridge	1119	30½	32	30	31
10	3½	.	...	Dom. Coal	....	10	..	..	..
26	8	.	...	Dom. Engineer.	....	22	..	..	..
90	35	5	5.9	Dom. Glass	....	85	..	..	..
110	98	7	6.4	Do. pref.	....	110	..	..	..
5½	1	.	...	Dom. Motors	440	3	3	2⅞	2⅞
2⅞	⅜	.	...	Dom. Pr. Stubs	....	1½	..	..	..
6	½	.	...	Dom. St. & C B	1450	3½	3⅞	3½	3½
27½	12½	1.20	5.5	Dom. Stores	1081	22	22	21	21
6¼	1	.	...	Dom. Tar & Ch.	35	4½	4	4	4
27	5	.	...	Do. pref.	40	24½	25	24	25
69⅞	39	4	6.1	Dom. Textile	103	64	66	65	66
111	93½	7	6.3	Do. pref.	10	107	111	111	111
7	2	.	...	Dryden Paper	775	5	5¾	5	5
1½	1	.	...	Duff. Paving	....	1½	..	..	..
25	5	.	...	Do. pref.	5	25	20	20	20
				E					
3	3	.	...	East. Koot. Pr.	....	3	..	..	..
†97	94½	.	...	Do. pref.	....	..	..	..	..
7	1½	.	...	East Dairies	190	5	5½	5	5
14	8	.	...	East. Steel	10	13	8	8	8
76	75	7	9.2	Do. pref.	....	76	..	..	..
‡34	34	2	...	East. Theatres	....	..	..	..	..
70	67	7	10	Do. pref.	....	70	..	..	..
4	1	.	...	Easy Washer	105	2½	2½	2½	2½
15½	7	75c	5	Economic Inv.	....	15	..	..	..
†15	15	.	...	Edmonton D'y	....	..	..	..	..
†80	78½	6.50	...	Do. pref.	....	..	..	..	..
3	½	.	...	Enam. & Heat.	....	3	..	..	..
19	5	.	...	Eng. Electric	50	15	15	15	15
10	1½	.	...	Do. (B)	....	10	..	..	..
				F					
15	4	.	...	Fam. Players	....	15	..	..	..
10	8	.	...	Do Vot. Tr.	....	10	..	..	..
15	8½	1	9	Fanny Farmer	....	11	..	..	..
28½	23	2.40	8.4	Do. pref.	....	28½	..	..	..
†83½	75	.	...	Firstbrook Box	....	..	..	..	..
21	6	.	...	Ford Motors A	6395	14	15¼	14	15
5	1½	.	...	For. Pr. Secs.	55	4	3	3	3
10	5	.	...	Foundation Co.	35	10	7	7	7
90	90	.	...	Fr. & For. Inv. p	....	90	..	..	..
†8	5	.	...	Frost Steel	....	..	..	..	..
40	40	.	...	Do. pref.	....	40	..	..	..
				G					
6.50	.70	.	...	Gen. St. Wares	210	4.00	4.50	4.00	4.00
18	15	.	...	Do. pref.	100	15	15	15	15
114½	40	2.40	2.2	Goodyear Tire	103	100	107	98	105½
108	80	7	6.6	Do. pref.	147	106½	107¼	106	107
†93½	93½	.	...	Gould Pumps, p.	....	..	..	..	..
3	½	.	...	Gt. W. Saddlery	....	3	..	..	..
15	5	.	...	Do. pref.	55	15	15	15	15
16½	4	.	...	Gurd, Chas.	....	12	..	..	..
100	100	7	7	Do. pref.	....	100	..	..	..
7½	1½	.	...	Gypsum, Lime.	1155	4¾	5½	4½	4¾
				H					
12	2¼	.	...	Ham. Bridge	540	7½	9	8	9
40	35	.	...	Do. pref.	20	37	35	35	35
13¾	4	.	...	Ham. Cot. pf.	....	12	..	..	..
5	1½	.	...	Ham U. Theat.	....	2½	..	..	..
60	46	7	11.7	Do. pref.	....	60	..	..	..
‡50	50	.	...	Hillcrest Coll.	....	..	..	..	..
‡91	91	.	...	Do. pref.	....	..	..	..	..
8	2	.	...	Hinde & Dauch	125	6½	6	6	6
†75	75	.	...	Holt Renfrew	....	..	..	..	..
‡96½	90	.	...	Do. pref.	....	..	..	..	..
3¾	⅜	.	...	Honey Dew	....	2¼	..	..	..
17	5	.	...	Do. pref.	....	15	..	..	..
9¾	1½	.	...	H. Smith Pap	215	6¼	7	5	6¼
40¾	8	.	...	Do. pref.	10	40	39½	39½	39½
23¼	14¾	2	8.7	Humberstone S	5	22½	22½	22½	22½
14	4½	50c	4.5	Hunt (A)	10	11	11	11	11
10	5	50c	5	Do. (B)	....	10	..	..	..
102	77	7	7.6	Huron & E. M.	4	90	92	92	92
18	12¾	.	...	Do. 20% pd.	168	16	15	15	15
10	6	.	...	Hydro-Electric	....	10	..	..	..
				I					
185	123	10	5.7	Imperial Bank	15	178	175	170	170
16	7½	50c	3.6	Imperial Oil	12157	13¼	14	13	14
11	7	35c*	3.5	Imperial Tob.	5636	10½	10½	10¼	10½
†80	80	8	...	Inter. Coal, p.	....	..	..	..	..
b13¼	2½	.	...	Int. Hyd. E. A.	3700	9¼	10½	9½	9½
105	98	7	6.8	Inter. Mill. pf.	....	102½	..	..	..
90	84	6	6.7	Do. Series A	....	90	..	..	..
23.25	8.00	.	...	Inter. Nickel	74708	19.25	20.75	19.10	19.75
x4	4	.	...	Inter. Paints	....	..	..	..	..
b10	½	.	...	Int. P. & P. A	2800	5	6½	5½	6
b5¾	½	.	...	Do. (B)	1600	3	3⅞	3	3½
b4	¼	.	...	Do. (C)	2400	2½	2⅞	2½	2⅞
b22½	2	.	...	Do. pref.	3500	14	16⅞	14	14
20⅝	10½	1	5.7	Inter. Pete.	3260	18	18½	17½	17¾
5	2½	.	...	Inter. Power	15	3	3	3	3
24	8	.	...	Do. pref.	86	20	20	19½	19½
13½	5½	.	...	Int. Util. (A)	20	10	10	10	10
4½	1	.	...	Do (B)	85	2½	2½	2	2
				J					
†40	40	1	...	Jam. Pub. Ser.	....	..	..	..	..
85	70	7	8.9	Do. pref.	....	78	..	..	..
				K					
7½	¾	.	...	Kelvinator	10	3	4½	4½	4½
75	55	7	9.3	Do. pref.	....	75	..	..	..
				L					
18½	5	.	...	Lake of Woods	305	14	15	13½	14
70	30	.	...	Do. pref.	20	65	65	65	65
80	80	6	7.5	Landed Bank	....	80	..	..	..
48	36	3	6.7	Laura Secord	265	45	45½	45	45
7	1¾	.	...	Lindsay, C. W.	....	7	..	..	..
35	25	.	...	Do. pref.	....	35	..	..	..
21½	10½	80c	4.8	Loblaw (A)	1054	16½	17	16	16
21	10½	80c	4.7	Do. (B)	250	15½	17	16	16½
‡2½	2½	.	...	Loew's London	....	..	..	..	..
				M					
4	2	.	...	MacKin Steel	....	3½	..	..	..
†95	90	.	...	Do. pref.	....	..	..	..	..
3½	3½	.	...	Manitoba Pr.	....	3½	..	..	..
10¾	3	.	...	Maple Leaf	35	7½	7	5	6¾
25	5	.	...	Do. pref.	35	18	16½	16½	16½
6	6	.	...	Marcus Loew's	....	6	..	..	..
60	35	.	...	Do. pref.	5	60	60	60	60
12	2¾	.	...	Massey-Harris	3522	6½	7	6½	6¾
15	7	60c	4.7	McColl Fron.	2338	12½	13	12½	12⅞
82	54½	6	8	Do. pref.	105	78	77	74½	75
27	9½	.	...	Melchers (A)	355	13½	14½	14	14½
14	9	.	...	Do. (B)	510	9	9	9	9
†45	35	.	...	Mexican L & P	....	..	..	..	..
‡35	35	.	...	Mercury Mills	....	..	..	..	..
‡89	58½	.	...	Do. pref.	....	..	..	..	..
†40½	40	.	...	Mitchell, J. S.	....	..	..	..	..
x105	105	7	...	Do. pref.	....	..	..	..	..
17½	2	.	...	Mitchell, Robt.	245	10	11½	10½	11
†1	1	.	...	Monarch Knit.	....	..	..	..	..
50	20	.	...	Do. pref.	50	45	45	45	45
24	18	.	...	Montreal Cot.	....	23½	..	..	..
65	50	7	11.5	Do. pref.	20	61	65	65	65
¼	¼	.	...	Montreal Exhib	....	¼	..	..	..
x11	5	.	...	Mont. Is. Pr.	....	..	..	..	..
42½	26½	1.50	3.9	Mont. L. & P.	2916	37½	38½	37¾	38½
42	39	3+.25	8.1	Montreal Loan	....	40	..	..	..
44	39	3.20	6.9	Montreal Tele.	27	44	46½	46½	46½
100	70	8	8	Montreal Tram	52	100	100	100	100
17¾	4	.	...	Moore Corp	10	15	14½	14½	14½
107	65	7	6.7	Do. pref. (A)	25	104	105	104	104
125	70	7	5.8	Do. pref. (B)	6	120	120	110	110
‡10	10	.	...	Mt. Royal Hot.	....	..	..	..	..
‡49	49	.	...	Do. pref.	....	..	..	..	..
4	½	.	...	Muirheads	15	3	2½	2½	2½
7	5	.	...	Do. pref.	....	7	..	..	..
				N					
29½	14½	1.60	6.4	Nat. Breweries	2671	25½	25½	24¾	25
32	27	1.75	5.5	Do. pref.	....	31½	..	..	..
100	85	7	8.2	N. Groc. 2nd pf	13	90	85	85	85
22	14	2.40	10.9	N. Sew. Pipe A	100	20½	22	22	22
18½	5½	.	...	Nat. Steel Car	760	14½	16½	15	15
212	165	8	4.4	National Tr.	....	180	..	..	..
x10	10	.	...	Niag. W. Weav	....	..	..	..	..
16½	16	75c§	...	Do. pref.	....	16	..	..	..
5	¾	.	...	North Star Oil	400	3	3	2½	2½
4.50	1.75	35c	11.7	Do. pref.	125	2.90	2.50	2.50	2.50
‡25	25	.	...	N.S. Steel. pf.	....	..	..	..	..
				O					
211	100	8	4	Ogilvie Flour	69	198	198	195	198
121	108	7	5.8	Do. pref.	....	121	..	..	..
12	4	.	...	Ont. Eq. 10% p	25	11	12	12	12
105	104	6	5.7	Ontario Loan	....	105	..	..	..
9	4	.	...	Ont. Silknit	60	8	7½	7	7
6	4⅞	.	...	Ont. Steel	....	6	..	..	..
†105	105	.	...	Do. pref.	....	..	..	..	..
2⅛	⅛	.	...	Orange Crush	5	1½	1½	1½	1½
14	5	.	...	Do. (A)	5	12	12	12	12
3½	½	.	...	Do. (B)	....	2¾	..	..	..
92	80	6	6.8	Ott. L. H. & P.	....	88	..	..	..
90	84	6.50	7.2	Do. pref.	....	90	..	..	..
8	5	.	...	Ott. Traction	....	5½	..	..	..
				P					
70¾	40	3	4.5	Page Hersey	70	67	67	66¾	66¾
18	18	.	...	Paton Mfg.	....	18	..	..	..
90	90	7	7.8	Do. pref.	....	90	..	..	..
47	20	3	7.5	Penmans	75	40	40½	40	40
80	65	6	7.5	Do. pref.	....	80	..	..	..
16½	8	.	...	Photo Eng.	195	15	15	15	15
†70	64	7	...	Porto Rico P. p	....	..	..	..	..
b40¾	4	.	...	Postal Tele. p.	....	..	..	..	..
15¾	6	.	...	Power Corp.	2333	11	11	9½	9½
62	26	6	10	Do. pref.	5	62	60	60	60
3½	¾	.	...	Prairie C. Oil	....	3	..	..	..
26	8	.	...	Pressed Metals	335	19	20½	18½	20
4.62	1.00	.	...	Price Bros.	600	1.90	1.90	1.50	1.60
13	4	.	...	Do pref.	225	6	5½	5	5
				Q					
24	11	1	5.1	Quebec Power	510	19½	20¾	19	19½
				R					
95	85	5	5.9	Real Estate L'n	....	85	..	..	..
5⅛	½	.	...	Regent Knit.	320	3⅞	4	3½	3½
6	6	.	...	Reliance Grain	....	6	..	..	..
19	7	1	5.3	River. S. Mills	....	19	..	..	..
14	5	1	9.1	Robinson Cone.	15	11	11	11	11
4	¾	.	...	Rogers Majest.	....	2¼	..	..	..
183	123	8	5	Royal Bank	119	164	165	157	157
†84	75	.	...	Ruddy, E. L. p	....	..	..	..	..
20	20	.	...	Russell Motor	....	20	..	..	..
45	28	4	10	Do. pref	1	40	39	39	39
				S					
x4	3	.	...	Sarnia Br. A.	....	..	..	..	..
2	1½	.	...	Do. (B)	....	2	..	..	..
11½	2¼	.	...	Serv. Station	145	8½	8⅞	8	8
48	16	.	...	Do. pref.	10	46	45	45	45
22½	9¾	50c	2.7	Shawinigan	3491	18⅞	19½	18	18⅞
17½	4	.	...	Sher. Wms.	10	15	15	15	15
75	39	.	...	Do. pref.	....	75	..	..	..
9	4	.	...	Simon & Son	15	7	7½	7½	7½
61	50	.	...	Do. pref.	....	55	..	..	..
52	6	.	...	Simpson, Ltd.	5	43	42	42	42
5	5	.	...	Do. (A)	....	5	..	..	..
6¼	1	.	...	Do. (B)	....	6¼	..	..	..
85	46½	6	7	Simpson, R., p	....	85	..	..	..
19½	12	1	5.3	So. Can. Pr.	60	19	18½	18	18½
91	68	6	6.6	Do. pref.	31	87	91	87	91
5.87	.15	.	...	St. Law. Corp.	2890	3.50	4.00	3.25	3.50
12½	1	.	...	Do. (A)	70	8½	10	9½	9½
55	15	1.50	2.7	St. Law. Flour	....	54⅛	..	..	..
97	92	7	7.2	Do. pref.	....	97	..	..	..
25	2¾	.	...	St. Law. Pap. p	148	16	18	17	17
13	4	.	...	Stand. Chem.	....	11	..	..	..
6	3	.	...	St. Pav. & Mat.	....	4	..	..	..
25	16	.	...	Do. pref.	....	21	..	..	..
19½	1	.	...	Stand. Steel	3435	10½	14	11	12½
47	47	.	...	Do. pref.	....	47	..	..	..
33	14½	1.20	4.3	Steel of Can.	261	28½	29	27½	27½
34	22½	1.75	5.3	Do. pref.	30	33	33	33	33
1	1	.	...	Sterling Coal	....	1	..	..	..
10½	6	.	...	Stop & Shop	165	9	9	7	7
*495	385	.	...	Sun Life Ass.	....	495	..	..	..
22½	12	1	5	Sup. Pete. ord.	190	19	19	17½	17½
19	11½	1	5.2	Do. com.	20	17	19	19	19
99	90	7	7.1	Do. pref.	....	99	..	..	..
				T					
40	40	.	...	Tamblyn	....	40	..	..	..
95	82	7	7.4	Do. pref.	....	95	..	..	..
17	10	■87½c	...	Thayers, pfd.	....	17	..	..	..
14	7½	40c	3.3	Thrift Stores	20	12	12	12	12
30	21	1.62½	5.9	Do. pref.	....	27½	..	..	..
12	1	.	...	Tip Top Tailors	....	8	..	..	..
67	35	7	11.7	Do. pref.	....	60	..	..	..
†22	10	.	...	Tooke Bros.	....	..	..	..	..
16½	12½	.	...	Do. pref.	....	16½	..	..	..
27	12½	1	...	Tor. Elevators	....	25	..	..	..
167	138	8	5.4	Tor. Gen. Tr.	2	150	148	148	148
98½	90	6	6.3	Toronto Mtge.	....	95	..	..	..
1½	1	.	...	Traymore	....	1½	..	..	..
2¼	1	.	...	Do. pref.	....	2	..	..	..
116	107	7	6	Tuckett Tob. p	35	112	116	116	116
4	1	.	...	Twin City	....	4	..	..	..
b15	5¼	.	...	Do. pref.	....	..	..	..	..
				U					
7¾	2¾	.	...	Union Gas	415	5	6	5½	5½
x100	85	.	...	Union Trust	....	..	..	..	..
†8	8	.	...	United Fuel	....	..	..	..	..
17½	4½	.	...	Do. pref.	40	10	6	5	6
7	7	.	...	Un. Amuse. A	....	7	..	..	..
30	19½	2	8	United Secs.	....	25	..	..	..
				V					
7	2	.	...	Viau Biscuit	125	5	5	4½	4½
40	35	.	...	Do. pref.	....	40	..	..	..
				W					
18½	4	.	...	Wabasso Cot.	5	14	15	15	15
68	4	.	...	Walker-Good.	34766	41½	47¾	41	44½
18½	9½	1	6.5	Do. pref.	3253	15	15½	14⅞	15
8	1½	.	...	Waterloo Mfg.	20	4	4	3½	4
x80	75	7	...	W. Koot. Pr. p	....	..	..	..	..
18	4	.	...	West. C. Flour	....	13	..	..	..
70	45	3	5.2	Do. pref.	5	58	58	58	58
22	8	.	...	West. Grocers	30	17½	22	17	22
80	54	7	9.3	Do. pref.	2	80	75	75	75
†91	85	.	...	W. Steel Pr. p	....	..	..	..	..
49	16½	1	2.4	Weston Bisc.	650	37	44	38	42
85	67	7	8.6	Do. pref.	20	83	82	81	81
5	3½	.	...	Whittall Can	....	4	..	..	..
50	30	6.50	...	Do. pref.	....	50	..	..	..
5	3	.	...	Windsor Hotel	....	5	..	..	..
12	5	.	...	Do. pref.	....	12	..	..	..
5½	1	.	...	Winnipeg Elec.	590	2½	3½	3	3
10¾	3½	.	...	Do. pref.	....	10	..	..	..
16	7	.	...	Woods Mfg., p.	....	16	..	..	..
				Z					
x1	1	.	...	Zimmerknit, c.	....	..	..	..	..

x Quotations for 1932. No sales recorded in 1933 to date.
† Quotations for 1931.
‡ Quotations for 1930.
b New York Quotations.
▲ Stock dividend.
* Plus final dividend of 17½c. paid Mar. 31.
■ Covers payment due Jan. 3 last and deferred; paid Mar. 15.
* See "Unlisted Stocks" also.
§ On arrears.

Unlisted Canadian Stocks

(Furnished by A. J. Pattison, Jr. & Co., Limited)
Investment Bankers, Toronto

August 15, 1933

Industrial Stocks	Bid	Asked
Acadia Sugar c.	.75	....
Acadia Sugar 6% pfd.	8.70	....
Acme Farmers Dairy 7% pfd.	50.00	....
Agnew Surpass 7% pfd.	66.00	....
Allens London 7% pfd. bonus c	34.00	....
Allens St. Cath. pfd. bonus c.	33.00	....
Allens Toronto 7% pfd. bonus c.	20.00	....
Andian National U. S. Funds	26.00	28.00
Atlantic Sugar A pfd.	79.00	83.00
B. C. Pulp & Paper pfd.	6.00	10.00
Burns pfd. bonus com.	8.00	11.50
Canada & Dom. Sugar	32.50	33.75
Canada Mach. c.	4.50	6.00
Canada Mach. pfd.	21.00	....
Canada Packers c.	31.00	32.50
Canada Pack. pf.	100.00	102.50
Canada Starch 7% pfd.	63.00	....
Canada Tea 7% pfd.	46.00	60.00
Canada Wire & Cable pfd. W.W.	63.00	....
Can. Industries com. A	100.00	....
Can. Industries com. B	100.00	102.00
Can Industries 7% pfd.	119.00	123.00
Can. Westing.	46.00	49.00
Chase, A. W., pfd. bonus c.	10.00	14.00
Claude Neon Gen. Adv. Units	5.00	7.00
Dodge Mfg. A pfd.	....	7.00
Dom. Foundries & Steel 8% pfd.	47.00	50.00
Dom. Foundries & Steel com.	5.00	7.00
Dom. Manufac. 7% pfd.	65.00	....
Dunlop Tire 7% pfd.	54.00	57.00
Eastern Dairies Ltd. 7% pfd.	20.00	....
Edmonton Stock-yards Units	38.00	52.00
Federal Grain com.	2.50	3.75
Federal Grain 6½% pfd.	....	36.00
A. J. Freiman pf.	45.00	51.00
Gen. Steel Wares pfd.	13.00	15.00
Goderich Elevator & Transit	5.00	6.00
Greening Wire 7% pfd.	45.00	55.00
Guelph Carpet 6½% pfd. bonus	60.00	....
Guelph Carpet c.	6.00	....
Inter City Baking com.	15.00	20.00
Inter. Proprietaries A	31.50	32.50
Langley's Ltd. 7% pfd.	30.00	34.00
Loew's Lond. c.	.25	.75
Loew's Lond. 7% pfd.	3.25	4.00
Loew's Toronto 7% pfd.	52.00	60.00
Massey-Harris 5% pfd.	19.00	23.00
Medical Arts pfd. bonus c.	96.00	....
Mount Royal Hotel c.	25	.75
Mount Royal Hotel 6% pfd.	3.25	4.25
Nat. Grocers c.	1.90	2.25
Nat. Grocers 7% 2nd pfd.	85.00	90.00
Ont. Silknit pfd.	40.00	46.00
Paramount Kitchener pfd.	29.50	....
Paramount Oshawa com.	2.25	....
Paramount Oshawa pfd.	32.00	....
Provincial Paper 7% pfd.	60.00	63.00
Reliance Grain 6½% pfd.	....	65.00
Rolland Paper 6% pfd. WW	40.00	....
Serv. Stations A pfd.	30.00	40.00
Standard Clay Prod. com.	....	15.00
Standard Fuel 6½% pfd. bonus	66.00	....
Supersilk pfd. bonus	30.00	....
Supertest Petroleum B	20.00	22.00
Ind. Stock cont'd.		
Toronto Elevators 7% pfd.	93.00	96.00
United Corpns. Ltd. A	3.50	....
Un. Grain Grow.	13.00	15.00
Western Grain 6½% pfd. bonus	17.00	21.00
Western Grocers pfd.	75.50	85.00
Insurance Stocks:		
Br. Amer. Assce.	25.00	....
Canada Life Ass.	397.00	425.00
Can. Fire Ins.	51.50	60.00
Confederation Life 20% pd.	121.00	....
Continental Life 20% pd.	39.00	44.00
Crown Life Ins.	96.00	110.00
Dom. Fire Ins.	83.00	....
Dom. Life 50% pd.	145.00	....
Dom. of Can. Gen. Ins.	92.00	100.00
Empire Life 25% pd.	10.50	12.50
Excelsior Life 30% pd.	68.00	....
Fidelity Ins. Co.	48.00	....
Great West Life Assce	302.00	....
Guarantee Co. of N. A.	248.00	....
Imperial Life	270.00	....
Mfrs. Life Ins.	245.00	255.00
Monarch Life 10% pd.	16.00	....
National Life 25% pd.	50.00	60.00
Saskatchewan Life 10% pd.	7.00	11.00
Sovereign Life 25% pd.	18.00	23.00
Sun Life Assur.	490.00	515.00
Western Assur. c.	14.50	18.00
Western Life 20% pd.	8.00	11.00
Trust & Loan Stocks:		
Br. Mtg. & Trust	145.00	155.00
Can Gen. Invest. Ltd.	4.85	5.15
Can. Investors Corp.	5.00	6.75
Chartered Trust	54.00	....
Debenture & Sec. Corp. com.	3.75	....
Debenture & Sec. 5% pfd.	16.00	....
Dom. & Anglo Invest. Units	186.00	....
Eastern Can. Sav. & Loan	111.00	115.50
Eastern Trust	138.00	143.50
Guelph & Ont. Inv. par $50	46.00	51.50
Investment Foundation Units	33.00	36.00
Lambton Loan & Savings	50.00	58.50
London & Western Trust	....	50.00
Premier Trust	86.00	....
Provincial Bank	84.00	88.00
Security Loan & Savings	99.50	....
Sherbrooke Trust	100.00	110.50
Sterling Trust	....	43.00
Traders Finance A com.	.60	....
Traders Finance 7% A pfd.	27.00	....
Trusts & Guar.	30.00	35.00
Victoria Trust & Savings	130.00	139.00
Waterloo Trust & Savings	90.00	99.50
Power Issues:		
B.C. Elect. Pwr. & Gas pfd.	97.50	99.50
Calgary Power 6% pfd.	79.00	83.50
Can. Light & Power c.	24.50	27.50
Can. West. Nat Gas LH&P pfd.	79.00	82.00
Maritime Tel. & Tel. com.	8.50	....
Maritime Tel. & Tel. 7% pfd.	10.50	12.00
N.B. Telephone c.	7.50	9.00
N.S. L&P com.	28.50	....
N.S. L&P 6% pfd.	73.75	....

Recent London Quotations:

Brewers & Distillers	10s
Can. & For. Secs.	4s. 6d.
Can. West. Lumber	1s. 6d
Hudson's Bay	28s. 9d.
Do., 5% pref.	85s.
Internat. Holdings	$2 9-16
Nfld. Pr. & Pap. deb. stock "B"	88½
Trust & Loan of Can.	8s. 1½d

Active Unlisted Bonds

(Furnished by A. J. Pattison, Jr. & Co., Limited)
August 15, 1933

Industrial Bonds:	Bid August 15	Asked August 15	Bid Aug. 8
Abitibi P. & P. 5% 1953	25.00	25.75	28.00
Acadia Sugar 6% 1946	90.00	93.00	90.00
Alta. Pac. Grain 6% 1946	78.00	82.00	80.00
American Sales Book 6% 1939	99.00	....	98.50
B. A. Oil 5% 1945	98.00	100.00	98.00
Can. Biscuit 6½% 1946	22.00	23.50	25.00
Can. Bread 6% 1941	97.00	....	96.00
Can. Cement 5½% 1947	76.00	79.00	75.50
Can. Steamship 6% 1941	21.00	23.00	24.50
Can Bakeries 6½% 1945	65.00	75.00	65.00
Can Canners 6% 1950	96.50	100.00	96.50
Can Copper Refin. 6% 1945	106.00	....	106.00
Can. Cottons 5% 1940	86.50	....	86.50
Can. Vickers 6% 1947	58.00	60.50	60.00
Cons. Invest. 4½% 1959	56.00	58.00	55.00
Cosmos Imp. Mills 6½% 1944	84.00	....	84.00
Davies, Wm. 6% 1942	97.00	100.00	97.00
Debenture & Sec. 4% 1936	63.50	....	65.00
Dom. Tar & Chemical 6% 1949	73.00	76.00	73.00
Dom. Telegraph 5½% 1978 "A"	93.00	....	93.00
Dom. Textile 6% 1949	104.00	....	103.00
Dom. Woollens 6% 1948	30.00	....	30.00
Donnacona Paper 5½% 1948	33.00	....	35.00
Eaton Realty 5% 1949	90.00	....	90.00
Famous Players 6% 1948	75.00	78.00	77.00
Federal Grain 6% 1949	78.00	82.00	80.00
Firestone Tire 7% 1937	105.00	....	105.00
Fraser Cos 6% 1932	30.00	....	30.00
Fraser Cos. 6% 1950	30.00	....	30.00
Galt Brass 7½% 1941	15.00	20.00	15.00
General Steel Wares 6% 1952	64.00	67.50	....
Goodyear Cotton 6% 1949	102.00	104.50	102.00
Great Lakes Paper 6% 1950	29.00	33.00	31.00
Gypsum, Lime & Alab. 5½% 1948	45.00	49.00	45.00
Harris Abattoir 6% 1947	101.50	103.00	101.50
Howard Smith 5½% 1953	73.00	76.00	74.00
Loew's Toronto 6% Serial	98.00	....	98.00
London Realty 6½% 1950	40.00	45.00	40.00
Maple Leaf Milling 5½% 1949	53.50	57.50	....
Massey-Harris 5% 1947	69.00	73.00	71.00
McColl-Frontenac 6% 1949	95.00	98.00	95.00
McKinnon Industries 6½% 1945	95.00	....	95.00
Mercury Mills 5½% 1953	52.00	....	52.00
Metropolitan Bldg. 7% 1944	80.00	....	80.00
Northern Ontario Bldg. 6½% 1939	65.00	71.00	65.00
Price Bros. 6% 1943	55.00	60.00	55.00
Richmond-Bay 6½% 1947	61.00	....	61.00
Simpsons Ltd. 5½% 1949	72.50	....	72.50
Simpsons Ltd. 6% 1949	76.00	80.00	77.00
Steel of Canada 6% 1940	103.50	....	103.50
Stop & Shop 6% 1947	63.00	....	63.00
Toronto Carpet 6% 1944	80.00	....	80.00
United Gas & Fuel 5½% 1948	74.00	78.00	74.00
United Grain Growers 5% 1948	78.00	82.00	81.00
United Grain Growers 5½% 1949	83.00	87.00	84.00
Wabasso Cotton 7% 1942	70.00	....	70.00
Western Grain 6% 1949	70.00	75.00	70.00
Public Utility Bonds:			
Bell Telephone 5% 1955	105.00	107.50	105.00
Bell Telephone 5% 1957	105.00	107.50	105.00
B. C. Power 5½% 1960	91.00	95.00	93.00
B. C. Telephone 5% 1960	96.50	99.00	96.00
Calgary Power 5% 1960	83.00	87.00	85.00
Can. Northern Pwr. 5% 1953	81.00	83.00	81.00
Duke-Price Pwr. 6% 1966	80.00	83.00	80.00
French Nat'l Mail S.S. 6% 1952	124.00	....	124.00
Gatineau Pwr 6% 1941 "A"	71.00	73.00	73.00
Gatineau Pwr. 5% 1956	81.00	82.00	82.00
Maclaren Quebec 5½% 1961	81.00	83.00	83.50
Manitoba Power 5½% 1951	41.00	45.50	41.00
Montreal Isl. Pwr. 5½% 1957	95.00	98.00	96.00
Montreal LH&P 5% 1951	104.00	106.50	104.00
Montreal LH&P 5% 1970	104.00	106.50	104.00
Montreal Tram 5% 1941 July	95.50	98.00	95.00
Montreal Tram 5% 1955	79.50	83.00	80.00
Northwest. Utilities 7% 1938	97.00	100.00	97.00
Ottawa Valley Pwr. 5½% 1970	99.00	101.00	99.00
Quebec Power 5% 1968	96.50	100.00	96.00
Rio Tramways 5% 1935	99.00	....	99.00
Shawinigan W & P 4½% 1970	76.00	....	78.00
Shawinigan W & P 5% 1970	85.00	89.00	85.00
Shawinigan W & P 6% 1937	95.50	98.00	95.00
Southern Can. Pwr. 5% 1955	97.50	100.00	97.50
West Kootenay Pwr. 5% 1956	97.00	100.00	97.00
Government, Provincial & Railway			
C. N. R. 4½% 1951 Dom. Gtd.	101.00	102.50	100.00
C. N. R. 4½% 1957 Dom. Gtd.	101.00	102.00	100.00
C. N. R. 5% 1969 Dom. Gtd.	107.00	107.50	106.00
C. P. R. 4½% 1944	83.00	85.50	81.00
C. P. R. 6% 1942	....	112.50	110.50
Dom. of Can. 5% 1936	103.00	103.50	102.50
Dom of Can. 5% 1941	104.00	105.00	103.50
G T. P. 3% 1962 Dom. Gtd.	81.75	82.50	81.00
G T. P. 4% 1962 Dom. Gtd.	95.00	96.00	94.50
Ont. Hydro 3½% 1952 Ont. Gtd.	92.00	93.25	91.00
Ont. Hydro 4¾% 1970 Ont. Gtd.	101.00	....	100.25
Ont. Hydro 4% 1957 Ont. Gtd.	93.00	93.75	92.00
Prov. of N B. 5% 1957	99.00	102.00	99.00
Prov. of Ont. 5½% 1947	107.00	108.50	107.00
Prov. of Ont. 5% 1948	104.00	105.00	103.00
Prov. of Ont. 5½% 1946	107.00	108.00	107.00

Listed Bond Quotations

Week Ending August 14, 1933

Montreal	Int. Rate	Due	Yield	Latest Bid	High	Low	Range, 1933 High	Low
Abitibi, 1st mtge.§	5	1953	...	...	...	...	18	13
Asbestos	5	1942	...	21½	...	...	*65½	49
Can. Cons. Rub.	6	1946	...	...	...	...	62	...
Can. Cottons	5	1940	8.11	...	...	...	84⅞	...
Can Forgings	6	1942	...	...	...	...	*100	...
Can. Pr (Laur.)	5½	1958	...	4	...	...	3	3
Do., (Way. Ser.)	5½	1958	...	4	...	...	*28½	5½
Can S.S. Debs.	5	1943	...	68	...	...	*83¼	...
Cedars Rapids	5	1953	...	...	...	...	108	108
Dom. Canners	6	1940	...	48	...	...	‡103	...
Dominion Coal	5	1940	...	...	...	...	37	...
McNish	6	1948	...	...	2.50	2.50	3.00	1.00
Mex. L. & Pr.	5	1940	...	46	...	...	*73½	70½
Mtl L.H.&Pr debs.	3	1939	...	...	45½	45½	47½	39½
Mont. Tr. 1st mtg.§	5	1941	5.46	...	...	...	98½	95½
Mont. Trams. A§	5	1955	6.68	...	...	...	81½	58
Do., G & Ref. B	5	1955	7.47	†82	...	...	73½	...
Do., C	4½	1955	9.03	...	...	...	57	57
Do., D	5	1955	6.86	...	...	...	77⅞	76½
N. S. Steel	5	1959	...	13	...	...	*62⅞	58
Ontario Steel	6	1943	...	87½	...	...	80	...
Porto R Pr.	5	1936	...	...	...	...	*93	88
Steel of Canada§	6	1940	...	104	...	...	*102½	100
Wayagamack	6	1951	...	...	...	...	*75	45
Winnipeg Elec.§	5	1935	...	...	...	...	*86	...
Toronto								
Canada Bread	6	1941	...	...	...	...	*101½	100
Steel of Canada	6	1940	...	...	...	...	*102½	...
Dominion Govt. Bonds (Montreal)								
War Loan§	5	1937	...	109.00	...	...	116.25	114.25
Victory Loan	5½	1933	4.23	100.00	...	...	100.75	100.00
Do	5½	1934	4.05	101.50	...	...	102.60	101.15
Do.	5½	1937	3.25	109.35	...	...	110.25	109.25
Do., refund	4½	1940	4.26	101.25	...	...	101.25	99.70
Do., refund	5	1943	4.44	104.50	...	...	103.37	101.85
Do., refund	4½	1944	4.47	100.00	...	...	100.50	98.75
Do., refund	4½	1946	4.38	100.90	...	...	*92.25	91.50
Do., renewal	4	1952	4.37	96.00	...	...	95.25	91.63
Conversion Loan	4½	1956	4.11	...	...	...	98.50	97.00
Do	4½	1957	4.56	100.00	...	...	99.00	96.00
Do.	4½	1958	4.53	100.00	...	...	99.58	97.75
Do.	4½	1959	4.46	101.00	...	...	100.87	97.50
Nat. Service Loan	5	1936	3.94	103.00	...	...	103.25	101.50
Do.	5	1941	4.46	104.50	...	...	103.75	100.75
Dom. Loan	4	1935	3.93	100.00	...	...	99.75	99.75

†Latest ask ‡Quotations for 1930. *For 1931. *For 1932. None recorded in 1933 to date. §Payable in Canada and New York

Winnipeg Stock Exchange

(Transactions for week to August 11)

Div. Rate in $	Yield in %		Sales	High for week	Low for week	Close Aug. 11
80c	5.9	Brit. Amer. Oil	25	13½	13½	13½
6	5.4	Bell Telephone	9	110½	110½	110½
..	..	Central Manitoba	500	12	12	12
1	5.7	Inter. Petroleum	40	17½	17½	17½
..	..	Island Lake	6,500	34½	34¼	34¼
..	..	Stadacona	1,000	5½	5½	5½
..	..	Western Grocers, c.	1,062	22	20	22

Stocks Not Traded in During Week*

	Bid	Ask		Bid	Ask
Beaver Lumb. pref	65	..	Pelissiers, com.	¼	⅜
Beaver Fire	..	100	Reliance Grain pfd.	..	..
City Dairy 7% pf.	..	..	Sovereign Life	13¼	..
City Dairy 8% pf.	..	40	Traders Bldg	65	..
Cres. Creamery, pf.	..	35	Can. Amer. Tr. shs.	..	3⅜
Nor. Mtg. part pd.	..	5	Fundamental Ser. A	..	4¼
Northern Trust	15	19	Fundamental Ser. B	..	4¼
Pelissiers, pref.	15	..	Group. Income Shs.	..	4.75

*Stocks more active on other exchanges not included.

Dividends Declared

	Present Annual rate	Amt. this payment	Date payable	Date of record
Bk. Can. Nationale	10%	2½%	Sept. 1	Aug. 15
Borden, c.	$1.60	40c	Sept. 1	Aug. 15
Bank of Montreal	$8	$2	Sept. 1	July 31
Bk. of Nova Scotia	12%	3%	Oct. 2	Sept. 15
Bank of Toronto	$10	$2.50	Sept. 1	Aug. 15
Buffalo Ankerite Gold	10c	5c	Aug. 15	
Can. Inter. L. & P. Invest.	3.50	fr.*	Aug. 14	....
Can. Bank of Commerce	$8	$2	Sept. 1	July 31
Can. Hydro-Elec., 1st pfd.	6%	1½%	Sept. 1	Aug. 1
Can Silk Products A	$1.50	37½c	Aug. 31	Aug. 15
Crow's Nest Coal (interim)	..	$2	Sept. 1	Aug. 1
Dominion Bridge	$2	50c	Nov. 15	Oct. 31
Dominion Stores	$1.20	30c	Oct. 2	Sept. 15
East. Theatres, com.	$2	50c	Sept. 1	July 31
Goldfield Cons. (interim)		5c	Aug. 31	Aug. 16
Imperial Oil (coupon 38)	50c	12½c	Sept. 1	Aug. 15
Inter. Milling pref.	7%	1¾%	Sept. 1	Aug. 19
Do. "A" pref.	6%	1½%	Sept. 1	Aug. 19
Kelvinator, pref.	7%	1¾%	Aug. 15	Aug. 5
Laura Secord	$3	75c	Sept. 1	Aug. 15
Loblaw Groceterias A & B	80c	20c	Sept. 1	Aug. 12
Merland Oil (interim)		5c	Sept. 15	Aug. 15
McIntyre Mines	$1	25c	Sept. 1	Aug. 1
Do., extra	50c	12½c	Sept. 1	Aug. 1
Do., extra		12½c	Sept. 1	Aug. 1
McColl-Fron., c.	60c	15c	Sept. 15	Aug. 15
Montreal Loan	12%	3%	Sept. 15	Aug. 31
Nat. Sewer Pipe A	$2.40	60c	Sept. 15	Aug. 31
National Biscuit pref.	$7	$1.75	Aug. 31	Aug. 15
Ogilvie lour Mills pfd.	$7	$1.75	Sept. 1	Aug. 19
Penmans	$3	75c	Aug. 15	Aug. 5
Provincial Bank	6%	1½%	Sept. 1	Aug. 15
Quebec Power	$1	25c	Aug. 15	July 26
Rolland Paper, pref.	6%	1½%	Sept. 1	Aug. 15
Royal Bank	8%	2%	Sept. 1	July 31
Shawinigan W. & Pr.	50c	13c	Aug. 15	July 24
Southern Can. Power c.	$1	25c	Aug. 15	July 31
Standard Steel, A pfd.	$3	75c	Oct. 1	Sept. 15

*French francs.

Active Provincial and Municipal Bonds

Quotations furnished by A. E. Ames & Co., Canada Permanent Building, Toronto, Ont.

August 15, 1933

	Rate	Actual Maturity	Next Int. Date	Price	Yield
*Alberta	4½	1 Oct., 1958	1 Oct.	89.50	5.26
Alberta	5	1 July, 1943	1 Jan.	97.00	5.39
Alberta	6	1 Mar., 1947	1 Sept.	103.00	5.63
*British Columbia	4½	1 Oct., 1953	1 Oct.	89.50	5.35
*British Columbia	5	15 Jan., 1948	15 Jan.	96.00	5.39
British Columbia	6	15 Feb., 1947	15 Feb.	103.50	5.63
Manitoba	4	1 July, 1947	1 Jan.	83.00	5.79
*Manitoba	5	2 Dec., 1959	2 Dec.	94.50	5.39
Manitoba	6	1 Apr., 1947	1 Oct.	101.00	5.89
*New Brunswick	4	1 June, 1948	1 Dec.	92.00	4.75
*New Brunswick	4½	15 June, 1936	15 Dec.	101.00	4.37
New Brunswick	5½	1 May, 1950	1 Nov.	105.50	5.02
*Nova Scotia	4½	15 Nov., 1948	15 Nov	100.00	4.50
Nova Scotia	5	1 May, 1943	1 Nov	102.00	4.75
*Ontario	4½	1 Sept. 1944	1 Sept.	103.00	4.17
Ontario	5	15 Oct., 1948	15 Oct.	105.00	4.55
Ontario	5½	1 Feb., 1947	1 Feb.	108.50	4.65
P. E. I.	4	1 Apr., 1939	1 Oct.	96.65	4.65
P. E. I.	6	1 May, 1947	1 Nov.	111.05	4.90
*Quebec	4½	1 May, 1961	1 Nov.	102.00	4.13
*Saskatchewan	4½	1 Sept., 1955	1 Sept.	87.50	5.47
*Saskatchewan	5	1 Nov., 1959	1 Nov.	92.50	5.55
Saskatchewan	6	15 Mar., 1952	15 Sept.	100.00	6.00
*Newfoundland	5	31 Dec., 1952	31 Dec.	78.00	7.10
*Newfoundland	5½	1 July, 1939	1 Jan.	80.00	10.01
*Newfoundland	6½	30 June, 1936	31 Dec.	90.00	10.50
Cities					
*Montreal	5	1 Sept., 1963	1 Sept.	104.80	4.70
*Toronto	4½	1 Jan., 1955	1 Jan.	100.00	4.50
*Vancouver	5	15 Jan., 1970	15 Jan.	89.85	5.75
Winnipeg	5	1 Mar., 1944	1 Sept.	92.30	6.00
*Edmonton	5½	1 Apr., 1947	1 Oct.	92.50	6.32
Calgary	5	1 Jan., 1942	1 Jan.	87.87	6.75
Halifax	6	1 July, 1951	1 Jan.	115.01	4.75
Saint John	5	15 Dec., 1950	15 Dec.	102.95	4.75
Regina	4½	1 July, 1950	1 Jan.	79.60	6.50
Victoria	5	21 July, 1945	21 Jan.	92.34	5.90
Quebec	5	1 June, 1948	1 Dec.	100.50	4.95

*Payable in New York.

Canadian Smokers Create Own Record

From Our Own Correspondent

MONTREAL — Maurice Rossi and Paul Codos' record flight of 5,775 miles from New York to Rayak does not greatly better that set up by Canadian cigarette smokers in the first half of 1933. If the increased number of cigarettes smoked by Canadians in that period, compared with the same months in 1932, were placed end to end, they would make a cigarette 5,554 miles long.

Government records show that between January and June, 1933, 1,945,266,500 cigarettes were entered for consumption in Canada. This compared with 1,823,037,469 in the corresponding period of 1932, an increase of 122,229,131. As the ordinary cigarette is 2⅞ inches in length, the extra cigarettes smoked by Canadians in the first half of this year, if made into one cigarette of ordinary diameter, would be only 60 miles short of making the return trip from Montreal to Liverpool.

Tobacco users who do not favor the cigarette were more sparing in their use of the weed in the first half of this year. Cut tobacco entered for consumption amounted to 8,301,663 lbs., compared with 8,421,463 for the initial six months of 1932. Plug tobacco consumed totalled 2,124,860 lbs., or 263,548 lbs. less than a year ago. Overweight cigarettes are diminishing in popularity, or it may be due to the depression, for consumption this year amounted to only 153,360, or about half of the number reported last year. Cigar smokers are limiting their supply for the number consumed between January and June this year at 40,900,852 was 18,023,000 less than in 1932.

Ontario Mines Produce $22,060,443 in 6 Months Tonnage Up, Grade Down

Value Including Compensation Above Corresponding Period 1932

KIRKLAND LK. LEADS

Higher Prices for Gold Make Gleaning Old Ore Zones Profitable Undertaking

Production by Ontario's gold mines amounted to $22,060,443 in the half year ended June 30, 1933, according to the report released by the Ontario Department of Mines. This is slightly below the production of the corresponding period in 1933, although the tonnage milled increased, resulting in a lower grade of ore treated.

Exchange compensation amounted to $4,839,840, which brings the total value of the production slightly above that in the corresponding period of 1932.

Porcupine camp led in tonnage of ore treated and its average normal value of the ore treated was $6.41 per ton making the total normal value $10,411,136 as compared with the value of the Kirkland Lake camp production of $12,015,560, where the average normal grade of ore treated was $12.65 per ton. Production in Northwestern Ontario had a normal value of $815,996.

The following tabulation gives comparative quarterly production figures for the eighteen principal producers:

PORCUPINE CAMP

Buffalo Ankerite

	2nd qu. 1933	1st qu. 1933
Total rec., $	116,064	93,936
Tons milled	26,512	26,158
Rec. per ton, $	4.47	3.60
Tons daily	291	290

Coniaurum

Total recovery, $	180,813	187,758
Tons milled	36,102	36,110
Recovery per ton, $	5.01	5.20
Tons daily	396	400

Dome

Total recovery, $	1,226,996	1,156,295
Tons milled	137,090	138,000
Recovery per ton, $	8.95	8.44
Tons daily	1,505	1,510

Hollinger

Total recovery, $	2,438,748	2,468,569
Tons milled	430,388	417,131
Recovery per ton, $	5.67	5.91
Tons daily	4,745	4,535

McIntyre

Total recovery, $	1,360,856	1,399,196
Tons milled	184,800	181,560
Recovery per ton, $	7.36	7.70
Tons daily	2,030	2,020

Vipond

Total recovery, $	134,238	124,426
Tons milled	27,246	28,685
Recovery per ton, $	4.93	4.34
Tons daily	300	318

KIRKLAND LAKE CAMP

Kirkland Lake Gold

	2nd qu. 1933	1st qu. 1933
Total recovery, $	99,590	119,020
Tons milled	11,012	12,686
Recovery per ton, $	9.04	9.80
Tons daily	121	140

Lake Shore

Total recovery, $	2,351,080	2,662,175
Tons milled	201,720	186,121
Recovery per ton, $	11.73	14.30
Tons daily	2,200	2,070

Sylvanite

Total recovery, $	197,640	208,407
Tons milled	23,543	22,514
Recovery per ton, $	8.40	9.25
Tons daily	258	250

Teck Hughes

Total recovery, $	1,219,707	1,303,209
Tons milled	118,300	117,000
Recovery per ton, $	9.50	11.05
Tons daily	1,300	1,300

Toburn

Total recovery, $	127,957	123,559
Tons milled	9,197	9,066
Recovery per ton, $	13.90	13.63
Tons daily	100	100

Wright-Hargreaves

Total recovery, $	909,996	878,102
Tons milled	72,779	72,947
Recovery per ton, $	12.50	12.00
Tons daily	800	810

Ashley

Total recovery, $	84,196	84,114
Tons milled	9,057	7,961
Recovery per ton, $	8.40	10.57
Tons daily	100	88

N. W. ONTARIO

Howey

	2nd qu. 1933	1st qu. 1933
Total recovery, $	*212,344	238,678
Tons milled	81,138	87,211
Recovery per ton, $	2.62	2.74
Tons daily	890	963

Minto

Total recovery, $	37,556	32,578
Tons milled	5,703	4,756
Recovery per ton, $	6.58	6.85
Tons daily	63	53

Parkhill*

Total recovery, $	70,326	33,187
Tons milled	3,998	1,827
Recovery per ton, $	17.57	18.15
Tons daily	44	45

*Milling suspended about July 15 owing to a breakdown.

Alter Voting Power C. P. R. Preference

From Our Own Correspondent

MONTREAL. — Consequent upon the splitting of the ordinary shares on a four for one basis, the voting power of the preference stock of the Canadian Pacific Railway has been changed to meet the alteration in capital structure. Formerly the preference shares, which have a par value of £1, were given one vote for each £20. This was on a parity with the old ordinary shares which had one vote for each $100. By splitting the ordinary shares four ways, the voting power of this class of capital was increased four times. In order to bring the preference voting rights in line, one vote is now given for each £5 of preference stock.

At the end of last year the company had outstanding $335,000,000 of ordinary shares entitled to 13,400,000 votes. The outstanding preference shares, amounting to $137,256,921, are entitled to 6,862,846 votes in round figures.

At the Mines

B. C. Nickel Mines.—Vancouver reports state the property has passed to American interests connected with the automotive industry. The property is situated on Emory Creek, near Hope, B. C.

* * *

Bralorne Mines.—Negotiations are reported under way to acquire the holdings of the Taylor Bridge River Gold Mines up the mountain and adjoining the holdings of Pioneer Gold Mines, also adjacent to Bralorne.

God's Lake Gold Mines. — Diamond drill hole No. 30 showed $8.80 in gold per ton over a width of 10 feet, while hole No. 31 gave $18.80 over 4½ feet. These two holes indicate an extension of the vein system to approximately 3,500 feet. No. 28 drill hole penetrated the vein near the centre of the system at greater depth than the rest, thus indicating a downward extension of values and widths.

* * *

Lake Shore Mines.—Upper levels, containing substantial tonnages of low-grade ore, are receiving increasing attention due to the present price of gold and large tonnages of ore are receiving treatment, which would normally not be considered. Reports from the property indicate that some good widths are now being mined in the old upper levels. Some time ago the gleaning of some of the old stopes of ore and filling with gravel was started in the interests of safety. This barred any further gleaning, but before it became too late many of the older stopes are receiving further attention, all of which has the effect of adding to the ore reserves.

* * *

Macassa Gold Mines.—Ore developments between the 2,000 and 2,475-ft. levels are said to be a guiding factor in the further exploration for ore in the upper levels of the Kirkland Lake Gold Mining Co., particularly in the syenite belt some 600 or 700 feet thick. While a deep development and mining programme has been under way, a high percentage of ore has also come from the old upper levels, but new work closer to the Macassa boundary is said to be responding favorably.

* * *

Nipissing Mines Co.—The low-grade mill of the company which has been inactive for the past year and a half, fell prey to flames and was totally destroyed at the company's property at Cobalt. This will be covered by insurance, according to official advice. Inasmuch as the property had been depleted of its own commercial ore at existing silver prices there is no intention to reconstruct the mill.

* * *

Parkhill Gold Mines.—Shaft sinking has started toward an immediate objective of 1,000 feet. A station will be cut at the 875-ft. horizon, but no lateral work will be done until the objective is reached. Diamond drilling below the 750-ft. or presently lowest level disclosed ore of good width and value to a depth of 1,000 feet, indicating a continuance of the company's main ore zone to lower levels. The 625 and 750-ft. levels were the best in the mine. Due to breakage the mill suspended operations in July and it is expected it will be November 1, before production is resumed.

* * *

Pend Oreille.—A new high record shipment was made in July when approximately 1,300 tons of zinc concentrates averaging 61½ to 63 per cent zinc were shipped at compared with 1,283 tons in June.

* * *

Stonetrue Gold Mines. — Diamond drilling is planned by the company's new management to test its property in Cadillac township, Quebec, where the geology is claimed to be similar to that of the O'Brien now in production.

* * *

Wiltsey-Coughlan Mines. — A deep diamond drilling contract has been awarded to start at the company's property adjoining Noranda Mines. The programme calls for 5,000 feet of drilling which may later be extended to 10,000 feet. Following diamond drilling the future development programme will be decided.

Moss Gold Mines New Stock is Listed

From Our Own Correspondent

MONTREAL.—Montreal Curb Market has listed 3,250,000 new shares of Moss Gold Mines. Quotations will continue to be on the basis of the old stock, and deliveries will be either in old shares, or new stock on the basis of one new share for four old shares.

Chinese Want Salt Herring

British Columbia herring men look for a resumption of "big business" with China shortly in the export of drysalted herring. In 1931 this business amounted to $776,000, China taking practically all that British Columbia produced for export; but the following year, owing to war conditions, there was a drop to $214,000. Quieter conditions now prevailing in the Orient give hopes of a recovery in this business.

Mining Stock Quotations

Week Ending August 14

Par Val.	Range 1933 High	Low	Company	Sales	Close Aug. 7 (or last)	High for week	Low for week	Close Aug. 14
1	.05	.03	Abana	......	.03	.....	.....	.....
1	.02¼	.00½	Aconda	......	.01¾	.....	.....	.....
No	.30	.03	Aldermac	14,853	.24½	.24½	.21	.23
1	.03¾	.01	Alexandria	20,500	.02¼	.02¾	.02½	.02½
No	.06	.02	Algoma	101,500	.04	.04	.03	.03½
1	.01¾	.00¼	Algonquin	31,500	.00½	.00¾	.00½	.00½
1	.06	.00½	Amity C.	99,234	.05	.05½	.04½	.05
No	.74	.10	Amulet	79,861	.69	.73	.66	.71
1	.01	.00¼	Apex	......	.00½	.....	.....	.....
1	.05½	.02	Area	16,200	.04½	.04¾	.04	.04¼
No	.04½	.01¾	Arno	60,900	.03	.03¼	.02½	.03
1	1.36	.74	Ashley	300	1.25	1.10	1.00	1.00
1	.14	.02½	Bagamac	10,500	.05½	.05½	.05	.05
1	.03	.00½	Baldwin	13,000	.01	.01½	.01	.01½
1	.20	.08	Barry Hollinger	10,050	.10	.09½	.09	.09
1	2.45	.75	Base Metals	4,370	1.95	2.00	1.90	1.90
No	1.00	.98	Beattie	......	.98	.....	.....	.....
1	.40½	.08	Big Missouri	21,800	.21	.21½	.19½	.19½
1	.27½	.08½	Bobjo	36,350	.21½	.22½	.20½	.20½
No	10.25	2.28	Bralorne	2,901	10.05	9.95	9.50	9.50
1	.25	.15	Brett Trethewey	13,400	.23	.24	.21	.24
1	.07½	.01¼	Brownlee	42,400	.04	.04½	.03½	.04½
1	.03	.00½	Buckingham	67,300	.02	.02½	.01½	.01½
No	.05	.01½	Buffalo Can	52,500	.02½	.05	.03	.05
5	19.00	15.60	Bulolo	105	17.00	16.35	16.25	16.35
No	.10	.01½	Bunker Hill	286,300	.07½	.09	.08	.08½
5s	1.25	.60	B'Wana McKubwa	......	1.25	1.25	1.25	1.25
No	.05	.02½	Canam Metals	......	.05	.....	.....	.....
1	.12½	.03	Can. Kirkland	12,000	.09	.09	.08	.08
.	.42	.32	Can. Malartic	12,975	.40	.42	.38	.38
1	.02	.00½	Capital Rouyn	31,550	.01½	.01½	.01	.01½
1	.03½	.01	Cartier Malartic	6,000	.01	.01½	.01½	.01½
1	.72	.15	Castle Trethewey	5,720	.49	.48	.45	.46
1	.18	.05	Cen. Manitoba	23,400	.12½	.12	.09½	.10
1	.40	.17	Cen. Patricia	19,050	.39	.39	.35	.36
No	.20	.03	Chibougamau Pros.	58,750	.10	[illegible]	.10	13
No	.12	.03	Church. M. & Mill	155,150	.09	.12	.09½	.12
No	.04	.00½	Clericy	41,500	.03	.02½	.02	.02½
1	.03	.01	Clifton Cons.	15,500	.02½	.02½	.01½	.02
5	9.00	1.65	Coast Copper	795	5.50	6.00	5.00	5.00
1	.15	.00½	Cobalt Contact	84,300	.10½	.10½	.08½	.09
1	.33	.05	Columario	25,200	.20½	.20	.16	.17
5	1.90	.75	Coniagas	265	1.30	1.25	1.00	1.25
No	.60	.20	Coniaurum	13,710	.52	.60	.50	.53
25	142.00	54.00	Cons. Smelters	1,086	126.00	134.00	126.00	130.25
No	39.50	13.60	Dome Mines	8,691	32.50	34.00	31.75	33.00
No	.15½	.03½	Dom. Explorers	23,100	.08½	.08½	.07	.07
1	.02½	.00½	Dominion Kirk.	65,000	.02½	.02½	.01½	.01½
1	.04	.01	Don Rouyn	6,000	.02	.02	.02	.02
1	.04½	.02	Duparquet	2,000	.02½	.02½	.02½	.02½
1	8.10	1.16	Eldorado	94,195	4.00	4.20	3.80	3.85
No	4.55	1.80	Falconbridge	9,875	4.10	4.15	3.90	3.90
1	.06	.01	Federal	500	.03½	.02½	.02½	.02½
No	.07	.01	Gilbec	35,500	.04½	.04½	.04	.04
1	.17	.04	Goldale	17,475	.12	.14½	.13½	.13½
10	.29	.10	Goldfield	20,900	.22	.25½	.21	.25½
.	.01½	.01	Gold Reef	......	.01	.....	.....	.....
1	.12	.02	Goodfish	19,800	.08	.09	.08	.08½
1	.04	.01	Graham	14,425	.02	.02½	.02	.02½
1	1.95	.86	Granada	30,300	1.04	1.03	.86	.86
1	.18	.06	Grozelle	......	.13½	.....	.....	.....
1	.42	.24	Halcrow Swayze	10,950	.40½	.42	.40	.41½
1	.06	.02	Harker	10,700	.04	.04	.03½	.04
1	.01½	.00½	Hilltop	31,200	.01½	.01½	.01	.01½
5	10.90	6.00	Hollinger	6,480	9.60	9.95	9.50	9.75
1	1.00	.61	Howey Gold	26,675	.89	.89	.85	.85½
No	12.25	3.10	Hudson Bay	2,350	10.50	10.50	9.75	10.10
No	.55	.25	Huronian	855	.50	.50	.41	.50
1	12.00	9.00	Inter. Mining	125	9.00	10.00	9.00	9.00
	4.00	4.00	Do., Pur. Warr	......	4.00	.....	.....	.....
No	23.25	8.00	Int. Nickel	74,708	19.25	20.75	19.40	19.75
1	.03½	.00¾	Jackson Manion	16,750	.02	.02½	.01¾	.02½
1	.70	.20	Keeley	10,285	.50	.56	.49	.55
1	.02	.00½	Keora Mines	4,500	.00¾	.01½	.00½	.01
1	.76	.48	Kirk. Hud. Bay	2,000	.60	.60	.53	.60
1	.02¾	.00½	Kirk. Hunton	71,500	.01½	.01½	.00¾	.01
1	.52	.30	Kirkland Lake	15,140	.37	.36	.34½	.35
1	.04	.01½	Kirkland Premier	24,300	.03	.03	.02½	.03
1	.52	.12	Kirk. Townsite	24,700	.33½	.34	.27	.30
20c	.02¾	.00½	Koot. Florence	250	.01½	.01	.01	.01
1	.35	.15	Lakeland	13,650	.31	.34	.28	.28
No	.32	.07	Lake Maron	146,600	.22	.24	.20	.21
1	47.60	30.75	Lake Shore	3,917	42.00	44.50	42.50	44.00
1	.18	.02½	Lebel Oro	28,600	.16	.16	.14	.14
No	.29	.12	Lee Gold	20,000	.14	.15	.12½	.12½
1	.74	.20	Macassa	56,125	.69	.69	.66	.68
1	.23	.05	Malartic	......	.17	.....	.....	.....
1	.07½	.01	Malrobic	53,770	.07	.07	.05½	.06
No	.17	.02	Mandy	1,000	.10½	.09¾	.09¾	.09¾
No	.07	.01	Manitoba Basin	49,900	.04½	.04½	.03½	.03½
5	28.75	21.20	McIntyre	7,150	24.50	26.25	24.50	26.00
1	.51	.30	McKinley	50	.50½	.51	.51	.51
No	.08	.02½	McLeod River	46,500	.03½	.03½	.02½	.02½
1	.25	.03	McMillan	4,700	.26	.22	.20	.20
No	1.15	.46	McWatters	23,375	1.07	1.07	.94	.95
1	.84	.15	McVittie	99,316	.67	.80	.66½	.80
5	1.25	.06	Mentor Exp. & Dev.	......	1.05	.....	.....	.....
No	2.65	1.20	Mining Corp.	5,770	2.15	2.15	2.00	2.01
1	.05	.01½	Moffatt Hall	21,850	.03½	.03½	.03	.03
1	.12½	.02	Moneta	5,500	.08	.09	.08	.09
1	.00½	.00½	Montreal Rouyn	......	.00½	.....	.....	.....
1	.40	.05½	Moss	51,100	.06	.07	.05½	.06
1	.03½	.00¾	Murphy	14,700	.02	.02	.02	.02
No	.06½	.02½	Newbec	12,600	.03½	.03½	.03½	.03½
1	.06½	.01½	Night-Hawk Penn	6,500	.04½	.04½	.04	.04½
5	3.50	1.15	Nipissing	3,845	2.45	2.45	2.10	2.10
No	38.25	19.75	Noranda	27,027	33.50	35.25	33.50	34.00
No	.52	.32½	Nor. Canada	2,100	.37	.38	.36	.38
No	.39	.19½	Normont-Gold	6,500	.38½	.39	.38½	.39
1	.34	.05	Osisko	5,750	.18	.18	.15	.15
1	.28½	.11	Parkhill	10,700	.23½	.23	.21	.21½
1	.03½	.01½	Pawnee Kirk	2,500	.01½	.01½	.01½	.01½
1	1.80	.50	Pend Oreille	5,420	1.20	1.20	1.13	1.15
1	.04½	.00½	Peterson Cobalt	5,500	.03	.02½	.02½	.02½
1	16.25	4.30	Pioneer Gold B.C.	4,350	11.50	13.25	11.50	13.00
1	.03	.00¾	Porcupine Crown	6,000	.01½	.02	.01½	.01½
1	.01½	.00½	Potter Doal	2,500	.01	.01	.01	.01
1	1.60	.55	Premier Gold	5,100	1.22	1.25	1.20	1.20
1	.03½	.00¾	Preston E. Dome	......	.02	.....	.....	.....
No	1.75	.68	Prospectors Air's.	100	1.40	1.20	1.20	1.20
No	.15	.03	Quemont	1,000	.11	.09¾	.09½	.09¾
1	.50	.11	Read Authier	13,800	.46	.50	.45	.45
1	2.75	.60	Reno	122,559	1.80	1.85	1.45	1.60
1	.03½	.00½	Ribago	19,000	.01¾	.02	.01½	.01½
1	.03	.01½	Ritchie	4,500	.02½	.02½	.02	.02
1	.04½	.01	Robb Montbray	5,146	.03½	.02½	.03	.03
1	1.25	.75	San Antonio	10,191	1.05	1.10	1.02	1.05
1	.07	.02	Seven Troughs	......	.07	.....	.....	.....
1	1.90	.33	Sherritt Gordon	29,066	1.47	1.55	1.40	1.41
1	1.78	1.25	Siscoe	48,140	1.60	1.60	1.35	1.55
1	.10½	.02½	South Keora	1,500	.05	.05	.04½	.04½
No	.07½	.01½	Stadacona	108,600	.05½	.05½	.05	.05
1	.60	.07	St. Anthony	11,875	.32	.31	.30	.31
No	2.21	.60	Sudbury Basin	3,705	1.65	1.69	1.59	1.59
1	.15	.00½	Sudbury Contact	9,000	.11½	.11	.10	.10
1	.02	.00½	Sudbury Mines	31,000	.01½	.02	.01½	.02
No	.25	.16½	Sudbury Nickel	......	.25	.....	.....	.....
1	.38½	.20	Sullivan	9,800	.24	.24	.24	.24
1	1.44	.72	Sylvanite	23,265	1.07	1.10	1.05	1.05
1	.03½	.01½	Tashota	......	.01½	.....	.....	.....
1	7.25	3.70	Teck Hughes	14,100	6.25	6.40	6.10	6.15
1	.14½	.03	Thom. Cadillac	65,127	.14	.14½	.13	.14
1	.61	.10	Towagmac	7,300	.52	.54	.46	.46
1	3.00	1.00	Treadwell	900	1.51	1.70	1.51	1.60
1	.17	.04	United Kirkland	1,500	.10	.10	.10	.10
No	.06½	.01½	Vacuum Gas	12,500	.02½	.02½	.02	.02
No	2.40	.30	Venezuela	......	2.35	.....	.....	.....
No	1.50	.80	Ventures	21,570	1.10	1.13	1.02	1.03
1	.22	.03	Vickers	19,200	.03½	.03½	.03	.03
1	.75	.20	Vipond	15,600	.56	.56	.53	.55
No	2.40	.35	Waite Ackerman	[illegible]	2.15	2.40	2.15	2.40
50c	.75	.33	Wayside	98,605	.56	.57	.52	.52
1	.08	.02½	White Lake	2,000	.07	.05½	.05	.05
1	.28	.02	Wiltsey Coughlan	26,200	.19	.19½	.15½	.19
1	.27	.07	Wood Kirkland	3,500	.20	.20	.19	.20
No	7.70	3.73	Wright-Hargreaves	18,748	7.15	7.30	7.10	7.15

OIL STOCKS

Par Val.	Range 1933 High	Low	Company	Sales	Close Aug. 7 (or last)	High for week	Low for week	Close Aug. 14
No	.25	.07½	Acme Gas & Oil	452,610	.19	.23	.18	.21½
1	.04½	.04½	Admiral	......	.04½	.....	.....	.....
1	1.60	.55	Ajax	6,175	1.29	1.35	1.25	1.25
1	.68	.05	Alta. Pacific	2,630	.28	.30	.22	.26
1	.18½	.05	Amalgamated	8,300	.16	.17	.16	.16
No	1.10	.04½	Associated	10,625	.40	.39	.35	.35
No	.26	.01	Baltac	7,300	.11	.10½	.08	.08
No	2.50	.25	Calgary & Ed.	7,420	1.59	1.55	1.40	1.48
1	.45	.03	Calmont	6,850	.18	.16	.14	.15
1	.25	.03½	Common Pete	1,900	.15	.16	.13	.13
No	2.50	.11	Dalhousie	8,070	.80	.75	.70	.70
No	.19	.02	Devenish	700	.10	.15	.12	.15
No	.55	.05½	East Crest	17,500	.25	.28	.24	.25
No	.36	.25	Erie Gas	13,900	.27	.29½	.26	.28
No	.02	.00½	Fabyan Pete	17,500	.01½	.01½	.01½	.01½
No	1.75	.06	Foothills	500	.90	.50	.50	.50
No	.28	.06	Freehold	3,550	.14	.15	.12½	.14
No	.06½	.01½	Hargal	......	.05	.....	.....	.....
No	4.05	.30	Home	23,420	2.25	2.25	2.00	2.95
1	.25	.10	Homestead O. & G.	......	.15½	.....	.....	.....
No	.47	.10	Lowery	100	.35	.35	.35	.35
No	.03½	.03½	Madison	3,000	.....	.03½	.03½	.03½
No	.20	.05½	Marion Oil	5,950	.15	.18	.15	.18
1	1.85	.14	Mayland	950	1.30	1.35	1.20	1.22
No	.10	.03½	McD. Segur Ex.	13,400	.06	.08	.05½	.08
.	.08½	.05½	McD. Segur N.	5,000	.05½	.08½	.06½	.08½
1	1.10	.25	McLeod	100	.46	.50	.50	.50
No	.30	.07½	Mercury	8,800	.17	.19	.16	.16
No	.45	.11	Merland	11,600	.40	.45	.37	.40
.	.01½	.01	Mid West	......	.01½	.....	.....	.....
No	.35	.09	Mill City Pete	......	.15	.....	.....	.....
1	.50	.12	Model	5,250	.30	.32	.26	.30
5	.30	.09	Nordon	31,900	.16	.17	.14	.14
No	.08	.02½	Oil Selections	39,500	.04½	.06½	.05	.06½
No	.20	.04½	Okalta	1,900	.11	.12	.10½	.10½
No	.61	.20	Olga Gas & Oil	113,900	.39½	.54	.38	.45½
5	.03½	.01	Penn. Pete	......	.01½	.....	.....	.....
1	.25	.13	Petrol Oil & Gas	1,800	.15	.20	.20	.20
No	.02	.02	Richfield	......	.02	.....	.....	.....
No	23.00	5.75	Royalite	597	16.75	15.50	15.00	15.00
1	.25	.05	Sarnia Oil	4,300	.17	.17	.15½	.15½
No	.45	.04	South West Pete	......	.25	.....	.....	.....
1	.39	.06	Spooner	......	.25	.....	.....	.....
No	.75	.12	Sterling Pacific	5,050	.46	.50	.40	.50
.	.43½	.43	Trinidad Oil	......	.43½	.....	.....	.....
No	.25	.03	United	16,600	.10½	.13	.09	.10
No	.25	.06	Vanalta	......	.15	.....	.....	.....
No	.08	.00½	Wainwell	16,050	.04	.04	.03	.03

VANCOUVER STOCK EXCHANGE

(Transaction for Week to August 9)

Par Val.	Range 1933 High	Low	Company	Sales	Close July 31 (or last)	High for week	Low for week	Close Aug. 9
25c	.03	.00½	Bayview	6,000	.02	.01½	.01	.01½
20c	.10½	.02½	Beaver Silver	46,850	.08	.09	.08	.08
25c	.17	.03½	Big Slide	129,300	.04	.06½	.03½	.03½
25c	.06½	.02	Bluebird	4,000	.02	.03	.02	.02½
No	10.20	1.38	Bralorne	13,154	10.00	10.15	9.50	9.50
1	.57	.05	Bridge River Cons.	36,100	.31	.32	.26	.26
50c	.71	.35	Bridge River Exp	39,450	.51	.55	.45	.49
100	89.00	88.50	B. C. Electric, pfd.	......	88.50	.....	.....	.....
1	1.50	.60	B. C. Silver	......	1.15	.....	.....	.....
No	.82	.52	Burns Mountain	......	.55	.....	.....	.....
1	4.15	1.50	Cariboo Gold	10,730	2.90	3.25	2.80	2.80
No	12.90	5.60	Coast Breweries	849	10.25	11.00	10.00	10.75
25c	.02½	.00½	Cork Province	2,250	.02½	.01	.01	.01
1	.05	.02½	Cotton Belt	1,800	.05	.05	.05	.05
1	.08	.00½	Dalhousie Mines	5,000	.02½	.03	.02½	.02½
1	.21½	.02	Dunwell	35,580	.07	.21½	.08	.12½
1	1.00	.28	George Copper	1,200	.55	.50	.35	.35
50c	.12	.04	Geo. Enterprise	......	.04	.....	.....	.....
1	.09½	.02	Georgia River	85,500	.05	.06	.05	.05½
1	.60	.16	Golconda	10,650	.38	.36	.30	.35
50c	1.25	.60	Gold Belt	3,470	.85	.79	.65	.65
1	1.50	.95	Golden Belle	......	1.50	.....	.....	.....
50c	.11	.03½	Grandview	13,000	.05	.09	.05	.05½
1	.01½	.00½	Independence	5,000	.01	.01	.01	.01
1	.03½	.02	Indian Mines	2,000	.02½	.02½	.02½	.02½
1	.17	.08½	Inter. Coal	......	.14	.....	.....	.....
1	.36	.36	Jack Waite	......	.36	.....	.....	.....
50c	.57	.30	Kootenay Belle	7,500	.33	.35	.30	.30
25c	.04	.00½	Kootenay King	......	.01½	.....	.....	.....
25c	.01	.00½	L. & L.	......	.00½	.....	.....	.....
1	.01	.00½	Lakeview	......	.00½	.....	.....	.....
10c	.06½	.01	Lucky Jim	12,500	.05½	.06	.05	.05
50c	.01½	.00½	Marmot Metals	......	.00½	.....	.....	.....
10c	1.05	.20	Meridian Mines	128,500	.42	.50	.37	.38
5c	.13	.05	Metaline Metals	......	.06	.....	.....	.....
	.01	.00½	Mohawk	2,250	.00½	.00½	.00½	.00½
	.17	.12	Mogul	16,400	.15	.13	.12	.13
50c	.41	.18	Morning Star	32,330	.24	.25	.21	.22
1	.06	.00½	Morton Woolsey	1,900	.02½	.02½	.02½	.02½
1	.29	.06	Native Sons	29,300	.10	.09	.06½	.06½
50c	.10½	.00½	National Silver	13,000	.05½	.06	.05	.05½
50c	.89	.74	Nicola	6,500	.87	.87	.85	.87
50c	.21½	.02½	Noble Five	31,300	.13	.15	.11	.11
50c	.01	.00½	Oregon Copper	......	.01	.....	.....	.....
1	.35	.20	Pavilion	2,000	.25	.20	.20	.20
1	1.25	.40	Pioneer Extension	......	1.10	.....	.....	.....
1	16.10	4.30	Pioneer Gold	265	12.00	12.50	11.75	12.25
1	.11	.10	Planet	......	.10	.....	.....	.....
50c	.19	.04½	Porter Idaho	23,400	.10	.12	.08½	.09
No	.04	.00½	Premier Border	24,000	.02½	.02½	.02	.02½
1	.10	.02	Quatsino Copper	1,500	.04	.04	.03	.03
No	.42	.10	Reeves McDonald	4,800	.20	.21	.19	.19
1	.30	.25	Reliance	......	.27	.....	.....	.....
1	2.70	.60	Reno Gold	83,100	2.05	2.13	1.45	1.50
1	.22	.04	Reward Mining	5,750	.12	.13	.11	.11
1	.10	.01	Rufus Argenta	27,450	.04	.06	.04	.05½
1	.07	.02	Ruth Hope	500	.05	.02	.02	.02
1	.65	.41	Sally Mines	2,200	.47	.48	.45	.45
1	.15	.03½	Silverado	......	.10	.....	.....	.....
25c	.09	.01	Silver Crest	40,100	.04	.05	.03¾	.03¾
20c	.03½	.01½	Silversmith	......	.03½	.....	.....	.....
50c	.04½	.01	Snowflake	15,500	.02	.02	.01½	.01¾
25c	.06	.06	Sonora	......	.06	.....	.....	.....
1	.61	.40	Standard Gold	......	.40	.....	.....	.....
1	.59	.25	Sunloch	500	.45	.28	.28	.28
5	.40	.20	Toric	......	.40	.....	.....	.....
50c	.03½	.02	Topley-Richfield	2,500	.02½	.02	.02	.02
50c	.70	.08	Wayside	29,925	.55½	.62	.50	.52
25c	.12	.01½	Waverly Tangier	14,903	.05	.06	.05	.05½
20c	.05	.01½	Wellington	2,000	.02½	.02	.02	.02
	.36	.25½	White Eagle	25,100	.31	.32	.25½	.27½
1	.18	.03	Whitewater	8,100	.09	.08	.07	.07½
1	.48	.40	Yankee Belle	......	.42	.....	.....	.....

DIVIDEND PAYERS

	Rate	Yield %		Rate	Yield %
Ajax Oil	8c	6.4	Merland Oils‡	5c.	....
Coniagas‡	12½c	....	Noranda‡	50c.	....
Coniaurum†	3c.	....	Petrol Oil	*2c.	....
Cons. Smelters*	10%	....	Premier	*12c.	10.00
Dome Mines	$1+55c.	4.73	Pioneer, B.C.	60c.	4.61
Falconbridge	20c	....	Royalite	*1.50	....
Goldfield Cons.‡	5c.	....	Siscoe	12c.	7.74
Hollinger	65c.+10c	7.69	Sterling Pacific Oil‡	2c.	....
Howe Sound	40c.	....	Sylvanite	4+1c.	4.76
Lake Shore	$2+$1	6.81	Teck-Hughes	60c.	9.75
McIntyre	$1+75c	4.86	Wright-Har	20c	2.79
McLeod Oils‡	5c.				

*Stock. ‡Interim. †Initial. *Paid in 1932.

Selling Below Cost Eliminated By NIRA

Important Decision of Food Chains to Cut Out "Loss-Leaders" Turns Spotlight on This Phase of Programme — Industry Organizes to Fight For Rights

Perhaps the most interesting point appearing in United States newspaper editorial comments on the National Industrial Recovery Act during the past week is the oft-recurring statement that there is a growing apprehension on the part of business men that the whole plan is idealistic and unworkable. As opposed to this feeling, Washington records show that knotty problems of practice are being handled with great dispatch and the Administration has quickly become organized to a fine state of efficiency.

It would appear that industry has at last realized that it must be prepared to split profits more generously with its employees and probably underwrite the Government's expenses by paying heavier taxes. The result is that the Industrial Advisory Board is being prodded to formulate a programme of scrutiny of legislation going through Washington. In this, it is many weeks behind the Labor Advisory Board which has kept a committee fully employed carefully examining all suggested codes.

Eliminate "Loss-Leaders"

Out of the mass of information emanating from Washington regarding the hearings of the administration on trade codes one thing stands out more than any other; that is, that it is slowly but surely becoming an economic crime to sell below cost of manufacture. Generally, industry codes are boldly coming out with agreements that the lowest cost of goods will allow a fair profit over all manufacturing costs.

In the retail field, the shock of the week came when the retail grocery chains agreed to eliminate "loss-leaders" and maintain prices at not less than the prevailing market f.o.b. point distribution price plus 10 per cent. It is reported that other large retail organizations—not chains—were rather taken aback by this move of the chain group and felt that there must be a catch in it somewhere. Scrutiny of the fair price schedules of some of the food manufacturers is said to have revealed that large chains will be able to buy even cheaper than the largest individual retailer. The feeling is that the absolute minimum price should be for carload lots; this would allow the large retailers to buy at the same price as the chains.

Labor Problem Board

In the field of legislation, the most important decision of the past week is generally agreed to be the formation by President Roosevelt of a national board of mediation headed by Senator Robert F. Wagner and including industrial and labor leaders, to adjudicate labor disputes.

Some industries have shown a surprising degree of co-operation and quickly agreed on a general code but in others it looks as though there would be a long fight before any general agreement is arrived at. For instance, the coal industry has presented 27 different codes, producers in almost every area of the United States, and several groups in some areas, drawing up codes. Little headway has been made in the hearing as all groups refuse to give an inch.

Two Main Problems

Two big problems are generally agreed to be providing the main brakes against the smooth running of the programme. The Whaley-Eaton Service, Washington, states that "the most important task facing the NRA is to break through the resistance of individuals who, while seeking the protection of the Blue Eagle, struggle to avoid compliance with the rules." Secondly, many industries are uncertain as to where they belong and how many of them are to be thrown together in code-making.

Business Week, New York, feels that the NRA faces four major problems of policy—price fixing, industrial grouping, modernization and self-government. In part, it states as follows:

"Among the large questions affecting all codes is that relating to price-fixing and allotment of production... The tendency of NRA is to urge the formation of open-price associations in which publicity of all contracts and quotations will act as a balance wheel. Authorization to arrange for price-fixing and cost accounting—which is the vital matter—is being written into some codes on the precedent of the cotton textile agreement but there has been no statement of how far this may be carried.

"Industries are uncertain where they belong...Do the bolt and nut people belong with hardware or machinery? At the start there was much talk of a 'few great broad codes,' but divisions of divisions of industries are now up for hearing; fishing tackle, for example. Business feel that that it has a right to know if it has to join five associations if it makes five different things — or what?"

Propose Financing

Proposals are being put forward to provide some means of financing those smaller industries which cannot comply with either their industry codes or the blanket agreement of higher wages and lower working hours and survive, but nothing has yet been accomplished. Meanwhile, the Administration has shown itself ready to make allowances for individual cases and award Blue Eagles with endorsements where all the sections of the code cannot be complied with.

Unfortunately for the success of the whole scheme, however, greatest honor is being showered on those businesses which have been able to comply entirely with the blanket agreement on their industry code, in many cases because they have cut staffs to the bone and reduced wages to a minimum during the depression. On the other hand, those manufacturers, wholesalers and retailers who have maintained wages above the general level and retained staffs over the necessary limit are now suffering.

Reno Gold Mines Reports Increased Ore Reserves

The last two months of development work at Reno Gold Mines in British Columbia, has been most successful according to a progress report just issued. Over 170 ft. of drifting has now been done in ore on the fifth level averaging 2.95 ft. in width and with the face still in the same good ore. The winze which is being dropped from the fifth level to prove the continuation of the ore body to depth has now been sunk over 60 ft. with the vein proven by a short drift, holding well with an average width of between 2½ to 3 ft.

This work which was commenced only two months ago has added on a most conservative estimate approximately 22,000 tons to the ore reserves of the mine with a value of over $300,000, calculating gold at $20.67 per oz. Despite this heavy development work, earnings have been well maintained. During June when eighty per cent of the mill feed was development ore the company showed earnings of $25,624. July figures have not been issued but are expected to be approximately the same.

The new crusher which is being added to the mill is now practically ready for operation and should be turning over within the next few days. It is expected that this additional equipment will bring about a noticeable increase in the daily tonnage and this coupled with the fact that sufficient development has now been done to permit drawing ore from the stopes should bring about a marked increase in the monthly earnings.

Despite the heavy expenses the company has been put to since the fire early in 1932 in purchasing and constructing the mill, tram line, and power plant as well as the heavy development expenses at the mine it is entirely free of debt. It is felt by the directors that results during the past few months have been entirely gratifying and indicate a promising future.

AGNEW SURPASS PROFITS HOLD UP DURING 1932-33

Steps Taken to Consolidate Operating Units With Parent Concern

From Our Own Correspondent

MONTREAL.—Though the past year was most unsatisfactory in volume and profits, Agnew-Surpass Shoe Stores was able to show sufficient profits to cover preferred dividends by all but $8,377.

Sales for the year ended May 31, 1933, amounted to $1,997,436 after eliminating sales from factory to store companies. Gross earnings totalled $101,470 and after deducting $41,650 to cover depreciation and government taxes, there remains a net surplus of $59,819 to cover preferred dividends of $68,197.

Co-ordinate Store Activities

An important development during the past year was the transfer of the assets of John Agnew Ltd. to the parent company. They are included in the current balance sheet. The charter of John Agnew will be surrendered and it is the intention to deal similarly with the Surpass Shoe Co. Thus, the Agnew-Surpass Shoe Stores will become the operating company of the retail stores, with the John Ritchie Co. as the manufacturing company.

Particulars of the income account in the last three years follow:

	1932-33 $	1931-32 $	1930-31 $
Gross earn.	101,470	134,494	193,236
Deprec.	30,248	31,800	29,607
Balance	71,222	102,694	163,629
Govt. taxes	11,402	14,881	19,433
Net profit	59,820	87,813	144,196
Pfd. div.	*68,197	*68,215	70,000
Balance	†8,377	19,590	74,196
Prev. surp.	265,531	274,381	201,898
Balance	257,154	293,979	276,094
Adjustments	2,065	2,693	2,182
Balance	255,089	291,286	273,912
Tr. ins. res.	......	25,817	......
P. & L. bal.	255,089	265,469	273,912

*$70,000 less subsidiary company's portion.
†Deficit

Working capital position compares as follows:

	1933 $	1932 $	1931 $
Curr. assets	1,164,705	1,212,094	1,260,085
Curr. liabs.	127,805	192,910	222,538
Work. cap.	1,036,900	1,019,184	1,037,547

Hold Cash Position

A satisfactory financial position is indicated in the balance sheet at May 31 last. Cash on hand has been fairly well maintained, while investments have increased from $130,362 to $195,267. Loans and accounts receivable, as well as inventories, are on a slightly lower basis.

Sundry loans, included among assets, have declined about $3,000 to $32,283. Fixed assets amount to $437,493 compared with $462,730 a year ago. Patents, rights, etc., are carried at the same figure, namely, $15,000.

Reduce Accounts Payable

Among liabilities, accounts payable have been reduced from $137,907 to $85,411. Other current items are somewhat lower than reported a year ago.

During the year $1,000 of preferred stock was returned, reducing the outstanding amount to $973,500. Common stock valuation remains unchanged at $264,870.

Insurance reserve is the same, while surplus stands at $255,089, or about $10,000 less than a year ago.

WABASSO COTTON REPORT REVEALS MARKED CHANGE

Earnings Are Much Larger; Balance Sheet Is Strengthened

From Our Own Correspondent

MONTREAL.—Wabasso Cotton Co.'s financial statement for the 12 months ended July 1, 1933, reveals a marked improvement in earnings; reduction of $330,000 to $220,000 in bank loans (the lowest in some years); lower inventories; and a decline of $130,900 in funded debt.

The change in Wabasso's earning power and financial position is largely attributed to the improvement which has taken place in the cotton textile situation since the beginning of the year. For several months past the different operators have reported plant operations on a much broader scale with buying in larger volume and prices on a better basis.

Carry Forward Surplus

Wabasso's operating income in the fiscal year 1933 amounted to $528,274, up from $174,617 in the previous year. Income on investments remained much the same. After providing for a depreciation larger than in any year since 1920 and taking care of other prior charges, the income account shows a balance of $21,443 compared with a deficit of $283,705 in the previous twelve months.

	July 1, 1933 $	July 2, 1932 $	June 27, 1931 $
Op. prof.	528,274	174,617	448,213
In. on inv.	61,853	63,846	72,519
Gr. earn.	590,127	238,463	520,732
Deprec.	285,400	231,500	222,751
Bond int.	240,864	250,894	256,149
Sk. fund	29,700	27,355	25,465
Bond disc.	12,719	12,719	12,719
Net earn	21,443	†283,705	3,648
Prev. surp.	103,157	386,862	383,214
P. & L.	*124,284	*103,157	386,862

*After deduction of $316 for loss on subsidiary company's shares purchased during year. †Deficit

Working Capital Position

	July 1, 1933 $	July 2, 1932 $	June 27, 1931 $
Curr. assets	1,534,954	1,702,922	2,431,583
Curr. liabs.	619,037	884,262	1,485,197
Work. cap.	815,917	818,660	946,386

Particulars of the income account follow:

Better Inventory Position

The balance sheet of Wabasso at July 1 last shows a general strengthening. Assets at $12,797,533 compare with $12,998,305 on the same date last year. Cash position shows an improvement, while accounts receivable are larger. Inventories have been reduced by about $350,000 to $957,766.

There is virtually no change in the plant account, while investments show a minor reduction at $1,418,479. Deferred charges are off about $30,000 at $233,108.

Reduce Bank Loans

Feature of current liabilities is a reduction in bank loans from $550,000 to $220,000. Accrued charges and accounts payable are slightly higher.

Funded debt charges have been reduced from $3,991,300 to $3,860,400. Sinking fund reserve has been increased from $204,241 to $233,941.

Canadian Business Man Expresses Views on NIRA

Inflation Must Be Carried Further For New National Industrial Recovery Act to Be Success; Sees Benefit in Minimum Wages Imposed By Code

If the National Industrial Recovery Act does nothing more than introduce minimum wage scales in the United States it will have served a useful purpose, according to one shrewd observer interviewed by The Financial Post. A successful Canadian business man who devotes a good share of his time to manufacturing and retailing interests in the United States and is directly affected by the industrial programme in that country, he preferred to remain anonymous but expressed his views freely.

The people of the United States appear to be solidly behind the National Recovery Administration although many do not believe that Mr. Roosevelt's policies are economically sound. It is the general feeling that full support should be given to any worthy effort which aims to end the period of industrial stagnation that was so apparent in the first few months of the current year.

Establishes Minimum Wage

Asked for his opinion of the act this Canadian business man said:

"I believe from my observation of the National Industrial Recovery Act which was brought out on a very broad blanket code, that it would not have been workable as first planned. However, as each industry has been given an opportunity to present a code to the government for its own industry, it should prove to be a great achievement. In the first place, it has established a minimum wage which was very necessary; it has also established maximum hours for different industries. The case of each industry has been very carefully studied and this will increase employment to some extent—not, however, in my opinion, to the extent it was formerly expected by the blanket code; but, further, it will establish a fair wage for the employee for a day's work.

"The insignia of the Nira, 'We Do Our Part,' will instill in the minds of the public a sense of solidarity of human interests such as has not heretofore prevailed, which is the necessary prelude to preparing the public to accept the effective method of equitable distributing of earnings which collectively comprise the national income."

Believes Inflation Necessary

Asked if any further action will have to be taken by President Roosevelt to complete the workings of the act he said:

"I believe that it will be necessary for inflation to be carried further. This will have to be done on a sounder basis than the previous inflation, credit, and new monies will have to be created. The smaller industries throughout the United States through increased cost for both commodities and wages will have to be assisted until purchasing power reflects itself.

"I believe the public is absolutely behind the president in his action to increase the purchasing power of the United States citizen and his effort to establish a fair wage for the employee, and that this public sentiment and patriotic feeling will aid the president very greatly in the enforcing of the NIRA programme.

"As regards the attitude of manufacturers toward the policy of the government in not coming to an understanding on reduction of tariffs, I have heard in many cases manufacturers state that as the United States only exported 10 per cent of their manufactured products they could well do without this export business and devote their time and energy to manufacturing for home consumption, and by the retaining of the present tariff walls—or even raising them above the present rate—they could retain their home markets. This would appear to be very provincial and too narrow a view for such a world power as the United States to assume.

Sees International Results

"It would seem to me that after President Roosevelt has re-established industry to some extent under his NIRA programme, he will again begin conversations with other world powers for the re-establishment of trade relations and trade treaties, and that the adjourned conference held in London will be resumed, as it doubtless did enlighten to a very great extent the delegates engaged in it as to the difficulties which were so embarrassing to each. I am firmly convinced that if this conference is called together again by next February, that a much better understanding will be reached and results which have long been looked forward to will be attained.

"I would say that Canada is in an entirely different position to the United States. In the first place, some of the provinces have a minimum wage code which has been in operation for some years and has been administered very successfully. This code, however, should be put into effect in all provinces. Secondly, Canada is engaged in the production of basic commodities to a greater extent than industrial production. Further, as the conference held in Ottawa has increased the Empire export trade, every effort should be put forward to advance this, not only in the export of basic commodities, but also in manufactured goods, and this can only be done by individual and collective effort."

U.S. Wage Increases Not Effective Here

Although an instance in which the employees of a Canadian subsidiary of a United States company benefitted along with the American employees in a salary and wage increase arising out of compliance on the part of the parent company with the NIRA was brought to the notice of The Financial Post, generally speaking Canadian employees of United States firms are not affected, The Financial Post learns.

Employees of some of the firms questioned by The Financial Post have had salary increases but this has no relation to the NIRA in the United States. In almost every case it was pointed out that Canadian employees were not paid on the basis of American standards but on Canadian and therefore would only be affected by an increase in living costs in the Dominion.

ONTARIO STEEL REDUCES LOSS RETIRES BONDS

Working Capital Position Remains Good Though Cash Low

While business of Ontario Steel Products Ltd. has shown some improvement in recent months, volume of sales in the year ended June 30 was again below that of the preceding year although loss on operations was reduced to $27,170 from $53,583. Working capital position remains strong with ratio of current assets to current liabilities at 16.6 to 1.

Depreciation was provided at the same rate as in 1932 or $9,318 which compares with reserves of $80,000 to $90,000 provided in previous years. The total reserve for depreciation of fixed assets is approximately 48 per cent of the value of these assets as shown on the company's books. The income and surplus account of the company is as follows:

ONTARIO STEEL PRODUCTS
Income and Surplus Account
Years Ended June 30

	1933 $	1932 $	1931 $
Net earn.	*27,170	*53,583	50,247
Less: Deprec.	9,318	9,318	88,385
Bond int.	14,268	16,188	16,898
Sink. fund	......	31,812	30,102
Invest. res.	......	......	16,940
Net loss	50,756	110,901	103,078
Add: Pref. divd.	......	25,221	25,221
Com. divd.	......	10,318	61,906
Deficit for year	50,756	146,440	190,205
Less: Prev. sur.	42,928	189,368	384,320
Trans. fr. reserves:			
Repairs	15,000	......	......
Spring guar.	5,206	......	......
Inventories	20,000	......	......
Add: in. tx. ad.	......	......	295
Bonus 1930	......	......	4,452
Surplus ford.	32,378	42,928	189,368

*Loss.

Liabilities of the company remain small with no bank loans or overdraft and only $15,075 in accounts payable and $7,134 accrued bond interest. Current assets have been reduced with cash down to $8,765 from $22,042 and trade and other accounts receivable down to $86,155 from $96,671. Marketable securities are down to $172,704 from $199,198 while reserve has been increased to $94,084 from $88,176. Investments in general and pension funds carried at $154,804 have a market value of $86,991. Inventories are down to $167,674 from $205,059. Working capital position is as follows:

	1933 $	1932 $	1931 $
Current assets	362,828	462,603	665,683
Current liab.	22,209	33,727	40,233
Working cap.	340,619	428,876	625,450
Ratio	16.33—1	13.72—1	16.55—1

Fixed assets are carried at $1,483,415 and investments in other companies, at cost, of $376,461. Depreciation reserve now totals $687,118. There is outstanding $201,800 of six per cent first mortgage bonds which have been redeemed to the extent of $36,000 in the past year. There is also $360,300 of preferred stock and 51,588 shares of common stock carried at $865,159. Surplus is shown at $32,378 as a result of transferring $40,206 from certain reserves back into surplus.

PROPOSES NEW ACT TO COVER PATENTS

Toronto Lawyer Envisions Uniform Empire Laws

Uniform patent laws for the British Empire are proposed in an article in the current issue of United Empire by Fred. B. Fetherstonhaugh, K.C., Toronto patents barrister.

Chief benefits of a uniform law which would control patents, trademarks, designs and copyrights, envisioned by Mr. Fetherstonhaugh, are that useful information on new inventions could thus be quickly broadcast throughout the Empire and that when examination for novelty had been made in one part of the Empire no further examination would be required by the other sections.

It is not proposed that this uniform Patents Law would be controlled by a central board but rather that each Dominion or state would have control in its territory. Patent fees would be required, to register inventions in each self-governing portion of the Empire but further examination would be eliminated.

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The Week in Mining

Gold Production

THE half yearly production figures of the Ontario Department of Mines caused concern to some mining observers because the normal value of the gold produced was somewhat below that of the corresponding period in 1932. It will be observed that the tonnage milled was higher in the first six months of 1933 evidencing no let-up on milling programmes. The explanation emphasizes one of the influences of the present high price for gold and reflects the great advantage that is accruing to Canadian mines, not alone from increased profit, but by substantially adding to the potential ore reserves.

Many mines throughout the Dominion are now milling ore that was "rock" when gold was valued at $20.67 per ounce. In every mine exists various tonnages below the profitable milling grade, with gold at $20.67 per ounce. With this increased to near $30 it becomes highly profitable ore and there is evidence that most of the mines are now taking advantage of this opportunity to clean up this lower grade ore and convert it into profit that would be impossible with gold at the normal value. This is being accomplished with a lower recovery in ounces of gold, but a higher value in Canadian funds with a resulting increase in earnings notwithstanding the lower grade.

The far-reaching effect by conserving the higher grade ore for future operations is quite evident and investors should not be too critical if in a superficial analysis the normal value of production or grade of ore treated is below what had been expected. This was particularly noticeable in Howey returns and in a statement issued recently by Teck-Hughes.

* * *

Turner Valley

CONTROL of the Turner Valley oil field is slowly but surely coming under the guidance of Imperial Oil. Recently its chief subsidiary in the valley—Royalite Oil —absorbed the Mayland and now comes news that the Imperial through Royalite is negotiating for complete control of the Sterling Pacific Oil Co.

Imperial's subsidiary interests in the area include Royalite Oil Co., Dalhousie Oil Co., Foothills Oil & Gas Co., Southwest Petroleum Co., Advance Oil Co., Associated Oil & Gas Co., Baltac Oils, Hargal Oils, Home Oil, Lowrey Petroleums, Merland Oil Co. of Canada and the Sterling Pacific.

With the field under the control of the Turner Valley Gas Conservation Commission an attempt has been made so to regulate the gas flow that the terrific waste of the past can be mitigated and a higher ratio of production struck between the footage of gas allowed and the naphtha recovery.

Imperial already owns through Royalite approximately 10 per cent interest in Home Oil Co. Rumors have been prevalent for some time that Imperial is to take over Home Oil's property in Turner Valley, but not its other assets. Negotiations are known to have been under way, but officials disclaim any knowledge of serious negotiation, but in view of drilling adjustments recently effected between Home Oil and Imperial, the way has been paved for further negotiations for Home's property. Further drilling adjustments are said to be pending with other companies.

Imperial's absorption plant placed in service a short time ago left another argument for further mergers and property acquisitions by Imperial. It is expected that the absorption plant will very materially increase the extraction from the gas flow, quite possibly double it. At the present time Imperial is passing most of its own production through the absorption plant as well as that of some of its associate companies and consideration is already being given to increasing further the absorption facilities.

The independent oil and gas producers of Turner Valley have had overtures made from a private group to build an absorption plant to treat their production. The project has advanced little beyond the preliminary stages, but with the gas flow curtailed to approximately 40 per cent of the open flow and with a more intelligent drilling programme assured under the regulations of the Conservation Commission, together with the output of gas treated in the absorption plant, the outlook for earnings in the valley has materially increased.

New drilling regulations reflecting location of offset wells is another constructive policy of the Commission.

Canadian Mining News

BARRY HOLLINGER DEEPENING WINZE TO 2,375 FT. LEVEL

Officials View Present Programme With Assurance

The deepening of Barry Hollinger's main winze from the 1,875 ft. horizon to an immediate objective of 2,375 ft. has progressed some 75 ft. and plans call for the present programme to be completed before November 1. A station will be cut at the 2,125 ft. level, but no lateral work will be done until the winze is completed, when crosscutting will be undertaken simultaneously on the 2,125 and the 2,375 ft. horizons east some 900 ft. toward the No. 7 vein system.

In order not to interfere with the development programme, milling operations have been suspended since March. Diamond drilling to the 2,375 ft. level has confirmed the downward extension of the main ore zone, which in one drill hole showed a width of eight feet averaging $14 per ton in gold.

Plan New Main Shaft

While the No. 7 vein system is dipping away from the main winze now being sunk it was decided that in order to serve the future developments of the property the company could not do better than deepen the main winze and it is anticipated that a thorough probing will encounter other veins known to exist on the surface. Officials of the company are confident that the present development programme will provide three years' ore supply and that with mining facilities improved by the main winze, costs will be further reduced and an opportunity given for further development. Ultimately it is planned to raise on the present winze from the 1,000 ft. level to the surface and make it the main production shaft.

Sufficient funds are on hand to complete the presently projected programme. This spring Sisto & Co., of New York, undertook to provide the company with the necessary funds, but when revision in the contract was asked the company refused to consider it favorably. In February the capital was increased from 3,000,000 shares to 4,000,000 shares. At the present time some 1,300,000 shares remain in the company's treasury for further financing, if required.

The present programme is under the direction of P. C. Hopkins, M.E., Dr. E. H. Greene is president, James Houston, mine manager, is temporarily absenting himself from the property while the shaft sinking is going on, taking his first holiday in four years.

The Ontario Department of Mines reported the total production by the company for the first six months of 1933 at $60,770, exclusive of exchange compensation from 5,459 tons of ore treated. This production was entirely in the first three months except for a clean-up of $5,056 in the quarter ended June 30.

Two Star Group To Be Explored By New Tunnel

From Our Own Correspondent

NELSON, B.C.—Tenders will be called immediately for the driving of a crosscut tunnel 2,800 feet in length on the Two-Star gold property on Dundee mountain owned by A. B. Trites of Premier gold mine fame, who has just returned from Ymir after a visit to the mine.

The tunnel, which will give increased depth on exposures of 800 to 1,600 ft., the mountain rising abruptly after some distance, will cut three known veins, all of which outcrop on the Two-Star, and one of which shows a 30-foot width of ore running from $15 to $18 a ton in the bottom of a 90-foot shaft. The veins to be developed are the extensions in Two-Star ground of those that made the old Dundee and the Yankee Girl famous.

The tunnel will go into Dundee mountain on the Bear creek side, above the older workings of the Yankee Girl, the Two-Star being 500 or 600 ft. higher up the mountain than the Yankee Girl.

A contract will also be let at once for 1½ miles of road, to connect the property with existing roads.

If the ore is found at depth, a treatment plant will be the next step, Mr. Trites indicated. "We don't figure on shipping any ore," he stated.

Additional mining news on page 13 this week

U. S. Gold Committee Formulate Conclusion

Producers Claim Legislation Exists in Agricultural Relief Act to Permit President Giving Gold Producers "New Deal"

United States, alone among the leading gold producers of the world not to enjoy a free market and thereby participate and profit by the present high price for the yellow metal, is apparently nearing the time when the embargo on gold exports will be lifted.

A committee formed by the leading gold producers of United States to foster a free gold market in the United States claims that relief legislation exists and is incorporated in the Agricultural Relief Act of May 12, 1933. The committee is satisfied that a free gold market can be established by presidential proclamation under the authority of this act. It believes that such a step should be taken in full recognition of the long run advantages to be derived from the new monetary system.

A free gold market it is urged, would permit United States to cooperate with other nations in the maintenance of international monetary systems without the danger of too violent repercussions on its own economic life.

The committee has reached and announced its conclusion as follows:

Committee's Findings

1. Free functioning of gold as a standard of value in which the United States would exercise its due share of world influence;
2. Increase in the American price level and the promotion thereby of general economic recovery at home and abroad;
3. Immediate elimination of existing penalties on gold producers and stimulation of new production;
   (a) by giving American producers the world price for gold and
   (b) by making it profitable to work mines now closed;
4. Encouragement of gold imports from abroad during the remaining period of dollar exchange instability;
5. Discouragement of (a) excessive gold consumption in the United States in manufacturing and the arts, and (b) smuggling gold out of the country, which present conditions openly invite;
6. Recovery of old gold from scrap, jewellery, and unknown hoards;
7. Repatriation of American refugee capital from abroad, of which it is estimated that amounts aggregating hundreds of millions of dollars are being held abroad in the form of gold;
8. Control of dollar exchange rates, should it become desirable to operate a dollar equalization fund;
9. Equality of opportunity for all Americans to own gold legally — a right which foreigners now enjoy.
10. To create a market mechanism preliminary to introducing a gold bullion standard under which a variable official buying and selling price for gold will be desirable;
11. To stimulate domestic gold production by the assurance that American producers will receive the world price for gold.

Gold producers in the United States feel that an injustice has been done to the industry and cite the sympathetic attitude of the Canadian Government toward gold producers as tending to encourage gold production.

U. S. gold producers claim that in the "New Deal," at least the first step has been taken to assist every industry, except that of gold mining, and that the present condition threatens complete cessation of production, as costs continue to mount. The price of gold having been fixed at $20.67 per ounce the gold producer has no way of receiving compensation for the depreciation in his currency.

He may sell his gold only to the U. S. Government assay offices and mint and he may sell it to the jewellers and manufacturers, but he cannot export it. Only two alternatives are left for the gold producer of the United States the committee claims—either take the internal price of $20.67 per ounce or stop mining. Already the influence has been felt in the United States as production declined 142,000 fine ounces in June last from a high point of 255,000 ounces in October of last year.

The following tabulation shows the monthly production for the leading groups of producers and the price per ounce accruing to them.

Average Prices of Gold Per Oz.

	Ottawa Gold Quotation, Canadian Dollars	South African Gold Quotation, S. African Pounds	U. S. Gold Quotation, U.S. Dollars
1931			
July	†20.74	*4.25	†20.67
Aug.	20.73	4.25	20.67
Sept.	20.83	4.25	20.67
Oct.	22.92	4.25	20.67
Nov.	22.95	4.25	20.67
Dec.	24.24	4.25	20.67
1932			
Jan.	23.74	4.25	20.67
Feb.	23.30	4.25	20.67
March	22.85	4.25	20.67
April	22.76	4.25	20.67
May	23.06	4.25	20.67
June	23.41	4.25	20.67
July	23.34	4.25	20.67
Aug.	23.24	4.25	20.67
Sept.	22.68	4.25	20.67
Oct.	22.48	4.25	20.67
Nov.	23.30	4.25	20.67
Dec.	23.44	4.25	20.67
1933			
Jan.	23.26	6.00	20.67
Feb.	24.08	5.95	20.67
March	24.07	5.95	20.67
April	24.58	5.95	20.67
May	27.63	6.00	20.67
June	28.19	6.00	20.67
July	‡30.78	§	20.67

*Standard value, £4.24773.
†Standard value, $20.671834.
‡Preliminary figure subject to revision.
§Not available.

Gold Production—Fine Oz.

	S. Africa *	Canada †	U. S. ‡
1931			
July	917,139	228,878	§199,656
Aug.	912,324	229,216	§199,656
Sept.	918,211	243,109	§199,656
Oct.	944,532	239,691	§199,656
Nov.	903,315	238,354	§199,656
Dec.	909,873	241,643	§199,656
1932			
Jan.	947,511	233,826	174,000
Feb.	916,000	225,891	171,000
March	961,558	255,675	169,000
April	948,047	246,359	164,000
May	966,060	268,543	199,000
June	961,275	270,526	211,000
July	980,464	250,394	223,000
Aug.	990,471	265,090	241,000
Sept.	962,090	261,538	246,000
Oct.	975,114	253,503	255,000
Nov.	976,716	252,517	235,000
Dec.	978,228	266,719	225,000
1933			
Jan.	974,851	233,456	210,000
Feb.	879,287	228,224	147,000
March	950,944	260,154	252,000
April	891,534	237,017	189,000
May	944,230	237,661	185,000
June	°918,633	‡240,000	142,000

*Department of Mines and Industries, Union of South Africa.
†Dominion Bureau of Statistics, except as noted.
‡American Bureau of Metal Statistics.
§Average monthly output in 1931.
°Preliminary figure subject to revision.

Nipissing Copper & Silver To Distribute Its Assets

A small surprise package of nearly one-third cents a share awaits shareholders of Nipissing Copper & Silver Co., incorporated many years ago to develop properties in the Sudbury area, for the company is now being wound up and has assets of some $7,500 in cash to be distributed among holders of some 2,500,000 shares.

Old shareholders are being requested to send their certificates to L. O. Walton, secretary of the company, Sterling Tower Building, Toronto, that identity and addresses may be established. Like many old companies being wound up numerous shareholders cannot be reached for certificates have been lost or destroyed. Distribution is to be made pro rata to the shareholders with which contact has been established and the remaining assets are to be deposited with the federal government, which if not claimed, remain its property.

Initial Shipment Made Of Newf'dland Fluorspar

The quarrying of fluorspar in Newfoundland has attracted New York interests and the first cargo to be mined and shipped was made last month.

This initial shipment, comprising some 1,000 tons, was consigned to the Buffalo area, where it is used as a flux in the manufacture of steel or in the production of hydro-fluoric acid. W. E. Seibert of New York City, has been in negotiation with the Newfoundland government and has leased mining claims at St. Lawrence, which provides deep water shipping facilities. About 25 men are at work and it is claimed that a market exists for all that can be produced.

Negotiations Pending On Newfoundland Coal

Negotiations are under way to bring Newfoundland's coal deposit in the St. George's area into production, to supply the St. John's Gas Co., according to St. John's Daily News.

The St. George's Coalfields Co. owns under lease and in fee simple some eight or ten square miles of coal lands at St. George's on the west coast, which is claimed to be excellent gas coal. Though three-cornered negotiations have taken place on the part of the gas company, the coal company and the Newfoundland government, the proposal has been made that an expenditure in the neighborhood of $100,000 would bring the property into production giving employment to labor and alleviate the labor situation and thereby relieve the government from considerable relief expenditures.

The details of the government's negotiations have not been disclosed, but are understood to involve some considerations to get the property into production and make Newfoundland independent of foreign fuel by first introducing its use for the production of gas.

The St. John's Gas Co. is backed by New York interests who are to be consulted on the deal and it is hoped that development work can be instituted without delay.

British Investment Paper Raps Can. Promotions

An item in the Investors Chronicle & Money Market Review, published in London, England, carries a note of warning to investors who are being called upon and solicited to purchase Canadian mining shares.

Several instances, the report states, have been brought to its attention, and the comment is made that the tactics employed savor very much of those of Jacob Factor, who caused investors to lose some £1,500,000 by selling them unmarketable mining shares.

Regret is expressed that so few good mining shares are quoted in London and the observation is made that the Toronto and New York markets suffice the Canadians and that they have no wish to introduce their good things on the other side of the Atlantic. New mining enterprises in Canada have sufficient assistance from American interests, the article states, to develop a mining prospect without taking it to Great Britain to sell from door to door. Caution is given that those who buy shares in that manner are likely to lose their capital.

A specific instance has been brought to its attention with the sale of Waterloo Gold Mines shares currently being offered in London, according to the report, at 22s. 6d. per share. With the shares of this company unmarketable at anywhere near this price in its home town of Vancouver, a check is being made to stop what is termed an "unloading" campaign on the British investors.

International Mining List Stock in Montreal

From Our Own Correspondent

MONTREAL.—International Mining Corp. 1,150,000 common shares of $1 par value and 650,000 common stock purchase warrants have been listed on the Montreal Curb Market. This is a holding company, incorporated in Delaware in August, 1929, in which a number of prominent Canadians and Americans are interested.

Vancouver Board of Trade Visits New Gold Camps

In order to have first-hand information about the development of British Columbia's gold areas, the Vancouver Board of Trade has arranged an excursion to the Cariboo district next week with visits arranged to the property of the Cariboo Gold Quartz and prospects now under development in the district. Recently the Board of Trade made a similar excursion to the Bridge River area.

Metal Prices

New York—August 15—
Copper: Electrolytic spot, 9c. lb.
Silver: 35⅝c.
London—August 15—
(Long Ton)—
Copper: Electrolytic spot, £40 5s; future, £40 15s.
Standard spot, £35 15s; future, £36.
Tin: Spot, £214 17s 6d; future, £214 17s 6d.
Lead: Spot, £12; future £12 7s 6d.
Zinc: Spot, £16 15s; future, £16 17s 6d.
Silver: 17⅝d.
Gold: 124s 10d.
Canada—August 15—
Gold: $29.[illegible]

U. S. COMPANIES BUSY PROBING CARIBOO AREA

Big, Well Financed and Experienced Organizations Making Strides

Strongly backed companies are giving a thorough test to the potentialities of the Cariboo area of British Columbia.

The Newmont Mining Corp., one of the large United States companies, has acquired a controlling interest in the properties of the Cariboo Consolidated Gold Mines and has installed a 50 h.p. Diesel engine driven compressor on Island Mountain to aid its development programme, which consists of running a crosscut tunnel at a point 80 ft. above Jack of Clubs Lake to penetrate the downward continuation of the "Johns" vein and for general prospecting purposes. On Prosperine Mountain a crosscut 360 ft. in length has been run to intercept the vein exposed in the Forrest shaft at a depth of 125 ft. It is estimated that another 150 ft. in advance of the tunnel will strike the vein. Newmont also has options on the Myrtle and Morning Star groups on Barkerville Mountain.

Premier Property Etc.

Premier Gold Mining Co. is another strongly financed enterprise backed by United States capital that is operating in the area. This company has secured claims on the North Star group, situated on Sugar Creek, also on the Royal Coachman, Duff, Discovery, Grouse, Old Sol, Canyon, and numerous adjoining claims on Antler Mountain.

Britannia Mining & Smelting Co. has acquired options on the north slopes of Island Mountain; on the Black Jack group and Wintrip properties on Stouts Gulch; on the Cunningham group on Cunningham Creek and has staked a large number of claims on Harvey Creek.

MANITOBA BASIN TO REORGANIZE

Debts Cleared But Funds Needed to Develop Gold Properties

Shareholders of Manitoba Basin Mining Co. are in receipt of a notice of a special general meeting called for August 22 in Toronto to ratify a capital reorganization of the company. It is proposed that the present capitalization of 5,000,000 shares, no par value, all of which are issued, be reduced to 1,000,000 shares of like value and old shareholders given one new share for each five presently held. The capital is then to be increased to 3,000,000 shares providing the treasury with 2,000,000 shares for further financing.

The announcement accompanying the notice of the meeting calls attention to the difficulty experienced in providing funds to carry on its undertakings. Notwithstanding this it has been able to settle its outstanding liabilities and also to acquire new properties, which includes a 90 per cent interest in a group of six claims in the Camsell River section, Great Bear Lake district, and a group of six claims in Swayze township, a short distance southwesterly from the Kenty property.

The company's treasury is exhausted both as to funds and treasury shares. As at December 31, 1932, the outstanding capitalization was 4,200,000 shares, indicating that since that time some 800,000 shares have been issued.

E. R. Read, formerly vice-president, has been elected to the presidency to succeed K. A. Blatchford, deceased.

Cen. Manitoba Shareholders To Cancel Deal

The meeting of shareholders of Central Manitoba Mines held in Winnipeg August 12, to approve the purchase of 150,000 shares of Manitoba Gold Mines from the W. A. D. Synd. at a cost of $30,000, provided the expected spectacle when Howard C. Davis of Boston, president of the company, refused to call the meeting to order because the 50 per cent representation required was not there.

Davis admitted that he held a substantial block of proxies but was withdrawing from the gathering, which, in his opinion, invalidated the meeting.

A. S. M. Ross, solicitor and secretary of the company, took the chair and those present voted unanimously against the transfer of the company's funds for the purchase of Manitoba Gold Mines shares.

Many shareholders of Central Manitoba Mines became incensed last year when the W. A. D. Synd., comprising Messrs. Wentworth, Anderson and Davis, also directors of the Central Manitoba Mines, sought to use the Manitoba Gold Mines as a vendor for some claims staked for the Syndicate which it hoped to transfer to Central Manitoba for cash.

The interlocking relations between the Syndicate, the Manitoba Gold Mines and the Central Manitoba Mines raised the ire of a number of shareholders and concerted action was taken to cancel the agreement. Shareholders are watching the next move of Davis's with interest.

Kootenay Lake Control Sought By Smelters

From Our Own Correspondent

VANCOUVER.—Preparing for the day when a rise in metal prices will make increasing demands on the Trail smelter of Consolidated Mining & Smelting Company and other mining enterprises in that district, application is being made by the West Kootenay Power & Light Company for control of the level of Kootenay Lake. The application will be dealt with by the international joint commission on boundary waters in Nelson on August 24.

Lorne Campbell, managing director of the power company, said that he was confident the application would be granted.

"We shall need every bit of power we can produce on the Kootenay with the maximum use of Kootenay Lake waters when metal prices increase," said Mr. Campbell. "We are not asking for the right to raise the lake, as some people imagine, but only to control the run-off and this, instead of proving injurious to the large dyked farming areas along the river south of the international boundary, will be of great assistance to them. On this account the former opposition to our plans from these interests has largely disappeared.

Existing dams on the Kootenay River can be used to control the lake level, it was explained.

The provincial government is supporting the West Kootenay company's bid.

Bulolo Gold Recovery Advances During July

From Our Own Correspondent

MONTREAL.—Bulolo Gold Mines reports to the Montreal Curb Market that gross production in July was 8,230 fine ounces of gold, which, at $20.67 an ounce, was valued at $170,414. This compares with $168,987 in June; $167,117 in May; $153,270 in April; $148,898 in March; $159,692 in February and $124,877 in January.

The estimated operating profit for the month was given as $134,706 gold dollars. The company's dredges handled 538,100 cubic yards during July.

DEVENISH PETROLEUM, LIMITED

NOTICE TO SHAREHOLDERS

As a drilling campaign to increase the company's crude oil production in Skiff field is being started, it is desired to have shares registered in owners' names. Accordingly, stockholders can have shares registered free of charge until October 1st, 1933. Send, or have your broker send, by registered mail your shares to the company offices: 300 Leeson-Lineham Block, Calgary, Alberta, for registration at once.

O. G. DEVENISH, President.

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Macassa

An interesting analysis of the current developments at this promising gold property will be mailed upon request.

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God's Lake is rapidly developing into the most important new gold area discovered in Canada for many years—and

GARRY GOLD MINES, LIMITED
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having extensive acreage, and holding the key position in this district, should play a leading part in this development.

THIS new area that has recently sprung into prominence through the spectacular developments on God's Lake Gold Mines and Smelters Gold Mines, bids fair to outstrip many of the older and better established mining areas of Canada. The above two companies and Garry Gold Mines practically blanket the proven zone, which extends for approximately 12 miles on Elk Island in God's Lake, Northern Manitoba.

Shortly after the first discoveries were made the holdings of Garry Gold Mines were staked by plane with due regard for the then known line of strike and surface showings. Garry Gold Mines now have a combined acreage owned and under option of approximately 3600 acres.

The most active work in this district has been conducted by God's Lake Gold Mines where four major gold discoveries were established over a length of 9 miles, showing free gold and returning high assays. A drilling campaign has been under way all summer and is at present concentrated on the Akers Group. To date 19 holes have been completed and in a recent report, E. L. Brown, M.E., the engineer in charge of operations, stated that 10 holes drilled to an approximate depth of 200 feet have definitely indicated an ore shoot 500 feet long with a horizontal width of 4.22 feet and an average value of $11.80. Since this report, results of 5 additional holes have proven the further extension of this ore body. One deep hole proved it to a depth of about 300 feet. Only one blank hole was encountered in this drilling, due to a fault.

The mineralized zone in this area is known to exist for a length in excess of 3500 feet and further drilling is proceeding. Developments have been so satisfactory that a complete mining plant will be installed and sinking commenced at once.

Diamond drilling results obtained to date on this property are most spectacular and have never been duplicated on any other gold property in Canada at the present stage of development, to our knowledge. Garry Gold properties adjoin on two sides the Akers group of God's Lake Gold Mines.

Smelters Gold, the adjoining property to the Akers, and which Garry immediately adjoins on the north, south, east and west, have uncovered their main vein for 1300 feet, with an average width of 7 feet, containing high-grade ore shot with free gold. Continuance of the main vein has been uncovered at a point 900 feet to the west, indicating a length of over 2,200 feet. This vein heads directly into the Garry holdings on the West.

A crew of men under the management of Ronald L. Brown, M.E., are now on the Garry group and an active campaign of development is now under way to expose by surface trenching possible extensions of known ore systems. Dr. Furse, geologist, is also actively engaged in work on the Company's property.

Applications, with cheque attached for the small unsold portion of the 550,000 shares of Garry Gold Mines, Limited, offered to Granada shareholders in the form of rights, will be received and alloted in the order received at

Price 15 cents per share: Of this 15 cents, the entire amount goes into the treasury of Garry Gold Mines, without commissions or deductions of any kind, and will be used for the active opening up of this property.

As the original offering of God's Lake Gold Mines and Smelters Gold Mines, Limited, were heavily oversubscribed by the public and the shares are selling at a substantial premium on the open market, we urge those investors intending to participate to make immediate application.

A COPY OF THE PROSPECTUS AND MAP SHOWING THE LOCATION OF THE GARRY GOLD MINES CLAIMS AND ANY ADDITIONAL INFORMATION WILL BE GLADLY FORWARDED UPON REQUEST.

We reserve the right to allot all or any portion of applications that may be received or to execute the applications in the order they are received.

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